



EUROPEAN NEWS

Opposition to the party leader is strong in some sections of Fianna Fail, writes Brendan Keenan in Dublin

Haughey wins a battle but is still fighting to survive

MR CHARLES HAUGHEY, the Irish Opposition leader, has just experienced his stickiest spell in politics since his acquittal in the famous arms trial of 12 years ago.

It finished with the expulsion from the Parliamentary Fianna Fail Party of Mr Charles McGreevy, the member for Kildare, who was once regarded as one of Mr Haughey's strongest supporters.

It started a few days ago when the party's Galway City branch passed a vote of no confidence in Mr Haughey's leadership after he failed to give a shadow cabinet post to Mr Bobby Molloy, the city's favourite son.

Two branches in Cork added to the squeeze when they put forward similar motions for debate at the next party conference.

The forthcoming budget—ex-

pected to be one of the toughest ever—has been displaced as the main topic of political gossip by the question: "Can Charlie survive?"

While it is much too early to write Mr Haughey off, the problems of Fianna Fail are unlikely to go away, partly because the rigid traditions of the party—founded by Mr Eamon De Valera in the 1920s—seem increasingly at variance with developments in modern Irish politics.

Mr Haughey himself, his opponents say, broke one of the party's most hallowed traditions—that the leader is sacrosanct. In Britain, a coup against a PM who appears to be failing is unusual but not unknown. In Fianna Fail such a thing was unknown until Haughey organised a brilliant putsch against Mr Jack Lynch mid-way through his term of office in 1979.

Those who supported Mr Lynch will not, and apparently

A SENIOR Irish banker has predicted that the punt will have to be devalued by between 5 per cent and 10 per cent against the main currencies this year, even though the cost will be great and the benefits short-term, writes Brendan Keenan.

Mr John Bourke, chief financial officer with the Bank of Ireland, one of the country's big two commercial banks, said that although the technical aspects of Irish membership of the European Monetary System had been well managed, the country had failed to adopt the discipline necessary to keep inflation under control.

There were strong arguments against

devaluation but Mr Bourke believed short-term considerations of competitiveness would outweigh the longer term debilitation resulting from devaluation.

He told a meeting of chartered secretaries and cost and management accountants that Irish interest rates would probably remain in the 17-20 per cent bracket. Although this was a negative rate of real interest, borrowers could not presently pay more.

Interest rate pressure could be resisted for as long as the central bank could borrow abroad, Mr Bourke said. But if there was not a clear intention of reform this could become difficult this year.

cannot forgive Mr Haughey. Most of his difficulties spring from this coup. Mr McGreevy, though, was a different problem and his is probably not the scalp which Mr Haughey would most like to bang on his belt.

He dared not show leniency, however, for fear it would be interpreted as weakness, and embolden his enemies to move in for the kill. Mr McGreevy broke tradition by voicing dissent in public. He wondered aloud—more

old-fashioned discipline which prohibits such public criticism can survive.

In the ruling Fine Gael and Labour parties, where things are traditionally less strict, backbenchers have also been tasting the heady air of dissent.

Mr John Ryan, a Labour man from Tipperary, has gone so far as to hint that he might not support the budget if it includes the controversial suggestion to cut the standard rate of income tax to 25p.

While Mr Ryan is no admirer of Mr McGreevy he points out that the new generation of TDs (MPs) will not be as silent as their predecessors.

There is a lack of liaison between decision-makers and backbenchers, he says. "Everything is usually a fait accompli before it reaches TDs."

Like many members, he would like to see reinforcement and extension of the committee

system to give TDs a role in framing legislation. It has proved impossible to get the powerful civil service to take Dail committees seriously, and most of them have proved impotent.

The Fianna Fail Parliamentary Party is to have a special meeting on policy and discipline and some re-drawing of the old lines may be necessary in all the parties.

For Mr Haughey, faced with implacable opponents, the best chance is to harry the Government and get ahead in the opinion polls. If he begins to look like a winner he will probably survive to fight the next election. Should he fail to make an impact in an opposition role he is said to dislike, he may face more serious challengers than the member from Kildare.

Mr Haughey (right): dared not show leniency



Balsemao tries to speed EEC entry

BY DIANA SMITH IN LISBON

THE PORTUGUESE Prime Minister, Sr Francisco Pinto Balsemao, and senior negotiators fly to Brussels on Sunday for the first round of talks that will take them to all 10 European Community capitals over the next three months.

Worried by the slow progress towards Portugal's accession to the EEC, Sr Balsemao hopes to inject some energy into the proceedings by personal discussion with Community officials in Brussels on Monday and thereafter with his counterparts in European capitals. On this lap, he will also visit Luxembourg and Copenhagen.

Portugal is likely to miss its original target of accession by 1983. Though some dossiers are passing relatively easily through the Brussels negotiations, the questions of agriculture, customs unions and labour flow, have run into serious difficulties.

The accession treaty may not be signed before the end of 1982 and another 18 months or so will be needed to ratify the treaty in the parliaments of the 10 member states.

With one or two exceptions, like wine, Portugal's agriculture is a financial and technical tale of woe that represents no threat to its EEC counterparts. The



Sr Balsemao... to tour ten European capitals in the next three months

problem for the Brussels negotiators is how much aid and how many years, even decades, of transition and reshaping it will take to bring this sector into the 20th century, let alone close to Community patterns. A different picture is presented, however, by Portuguese textiles, which account for more than 40 per cent of the country's industrial output. At present, there is little chance that Britain and France will abandon

their strong stand on quotas and a transition period for Portugal's textile exports.

Portuguese negotiators are doing their best to ensure a reasonable deal for textiles. The industry, however, is direly in need of stronger investment, larger companies and modernisation and EEC membership could prove to be a blessing in disguise. European manufacturers would be able to invest here.

Portugal's centuries-old urge to export its unemployment is unlikely to be allowed free rein when it joins the EEC. There are already a million Portuguese emigrants settled in Western Europe. There may be a transition period of up to seven years on the free flow of labour, dashing early and naive hopes that Community membership would bring unaffected access to the West European jobs market.

The Portuguese Government watched keenly the recent European tour of Sr Leopoldo Calvo Sotelo, Spain's Prime Minister. It is worried that the Spanish might win a faster and better accession deal. Sr Balsemao, therefore, will spend the final week of January, February and March touring European capitals

Oslo acts to restrict freon gas

By Fay Gjester in Oslo

NORWAY has banned the construction of a foam plastic factory, employing around 20 people, that would have released 400 tonnes of the controversial freon gas into the atmosphere every year.

Freon, a compound containing chlorine and fluorine, is used for refrigeration, in spray cans, and in the production of foam plastic and rubber. It has been blamed for damaging the earth's ozone layer, which helps to filter ultraviolet rays from the sun. Norway was one of the first countries to forbid its use in spray cans.

Mrs Wenche Frogn Sellaag, the Environment Minister, said that in banning the new plant, the Government hoped to set an example in the drive to reduce freon emissions world-wide.

Ministry officials at first recommended approval of the plant, which was to have been built by Norske Fina, a subsidiary of the Belgian concern. This decision was opposed by the Norwegian Society for the Protection of Nature, which has warmly applauded the ban.

Oil company attacks Danish tax proposal

BY HILARY BARNES IN COPENHAGEN

A. P. MOELLER, the company, which holds the licence for oil and gas exploration in Denmark's sector of the North Sea, has strongly criticised a Bill published this week.

The company claims the Bill will make it and its partners in the Danish Under-ground Consortium—Shell, Standard Oil of California and Texaco—pay substantial taxes before they have made any profits. It claimed that the Bill conflicts with the conditions on which the company agreed last spring to relinquish to the state some of the licensed area.

Mr Mogens Lykketoft, the Tax Minister, has said he estimated that the oil tax proposals would mean that the consortium would pay about Dkr 450m (£31m) this year and about Dkr 1bn (£70m) next.

Moeller's dissatisfaction with the Government is mirrored by that of the authorities with the company. When it told the Government at the end of last year which areas of the North Sea it was giving up and outlined its planned work for the

remaining areas, Mr Poul Nielson, the Energy Minister, reserved his position on both questions.

The new disagreements are the latest in a long-standing squabble between Moeller and the Social Democratic Government. The company was given in 1962 an exclusive 50-year concession to the Danish on-shore and offshore areas.

Last year, under an implied threat of expropriation of the licence, the Government negotiated a deal with Moeller under which the company surrendered 50 per cent of the original area from January 1 this year. By the end of the decade it will have to hand back the rest, with the exception of 12,000 square kilometres (about 1 per cent of the total) which include the fields where the consortium has so far found oil and gas.

Mr Bjarne Fogh, Moeller's financial director, said that the consortium's investment in the North Sea to date totalled Dkr 22.5bn (£315m) and its revenues Dkr 4.1bn (£290m),

Working week on decline

GENEVA—South Koreans have the longest working week in the world, according to statistics compiled by the International Labour Organisation.

A survey showed that the average working week has been decreasing during the past decade in most countries for which data were available. South Korea, however, has a notable exception.

In that country, women worked 52.5 hours a week in 1969, 52.8 hours a week in 1970, 52.3 hours a week in 1971, 52.1 hours a week in 1972, 51.7 hours a week in 1973, 51.5 hours a week in 1974, 51.3 hours a week in 1975, 51.1 hours a week in 1976, 50.9 hours a week in 1977, 50.7 hours a week in 1978, 50.5 hours a week in 1979, 50.3 hours a week in 1980, 50.1 hours a week in 1981, and 49.9 hours a week in 1982.

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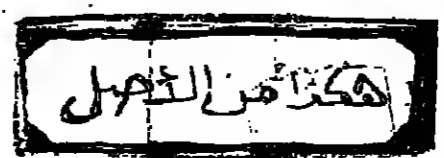
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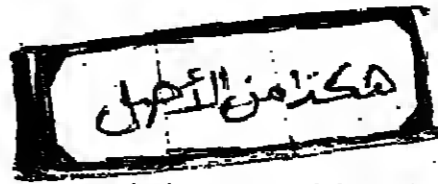
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# Japanese begin to invest in France again

BY TERRY DODSWORTH IN PARIS

TWO JAPANESE consumer electronics companies, Pioneer and Citizen, are planning manufacturing plants in France.

Their decisions mark the first significant move by Japanese industry to invest in France since the Socialist election victory last summer. The last large investment was by Sony, which opened its 577,90m (£8.1m) audio tape plant at Bayonne in the south-west at the end of 1980.

Pioneer, which is the leading world hi-fi producer, and has at least 30 per cent of the French market, is also choosing a site in the south-west, in the Poitou region. Although the French agent, Mission Diffusion Francaise, refuses to give details, the new plant is expected to create about 200 jobs.

The Citizen project is also at an early stage, but is aimed at setting up a plant to assemble around 15 per cent of the 400,000 watches it sells annually in France. A site has not been selected, but the company is planning to set up in the traditional watch-making area in eastern France near Besancon at the end of this year. About 40 jobs should be created.

Initially, growing to around 100 during the year.

It is not clear whether the two projects show a change of attitude to Japanese investment by France. The last Government's approach was based on a deliberate defence of what it defined as strategic industries in which France had a large stake. The television industry, for example, is still defended by EEC-approved quotas on Japanese goods.

The new Government is generally regarded as having adopted a more open view of foreign investment than its predecessor. It is encouraging U.S. interest in the country, and has allowed one important new project, by the private telephone company Mtel, in a sector which would probably have been defended in the past.

On the other hand, a strong theme running through Socialist party thinking is the need to develop a response to Japanese expertise in high technology industry.

Because of this, the Government may be less welcoming to Japanese investment in consumer electronics industries, such as television, where it wants to see a renewed French effort.

# Tindemans pledges support for European union plan

BY JOHN WYLES IN BRUSSELS

MR LEO TINDEMANS, the Belgian Foreign Minister, yesterday laid before the European Parliament his plans for the EEC for the six months, during which he will be President of the Council of Ministers.

Belgium, he said, was going to do everything possible to encourage the EEC to take steps which would really prove that today Europe is a Community and that tomorrow it will be united.

He revealed his enthusiasm for the so-called Genscher-Columbo plan, whose ultimate target is European Union.

The Belgian Presidency had already set up an official working party of the Ten to examine

these proposals from the West German and Italian Foreign Ministers, he said.

He said he hoped "with all my heart" that this work would produce "new and positive" results.

Mr Tindemans spoke of the need to develop better responses to the world economic crisis both within the EEC and in its relations with the U.S. and Japan.

This meant greater efforts to strengthen the EEC's internal market, to develop an industrial strategy and to strengthen the European Monetary System so that Europe could reach agreements with the dollar and yen zones.

# Setback for plan to land LPG at Rotterdam

BY CHARLES BATCHELOR IN AMSTERDAM

PLANS to land large quantities of liquefied petroleum gas (LPG) in Rotterdam have run into further difficulties. The Rijmond district council, which with Rotterdam is the most important authority in the area, is demanding that any shipments of LPG require environmental permits.

Application for a permit could delay the project a further seven months, according to Mundogas, a Panamanian-registered company in which P & O, the British shipping line, has a large holding. Mundogas's plans have already been delayed by three months.

The company reached agreement with the Rotterdam authorities last year to moor LPG tankers in the harbour to act as floating terminals. The tanker would unload its cargo over two to three weeks into coasters or barges and then leave to be replaced by another vessel.

Rijmond, which shares control of the harbour approaches with Rotterdam, now argues that even this form of extended unloading amounts to the storage

of LPG in the harbour. It is insisting that environmental permits be applied for, said Mr Max van der Put, Mundogas's project manager. The company is now considering whether to challenge Rijmond in the courts.

Mundogas plans in the longer term to moor a tanker permanently in the harbour and replenish its tanks regularly with LPG. Ultimately, this form of storage would become too expensive and the company hopes to join other LPG importers in the construction of an onshore terminal.

P & O and the Monaco-based Thyssen-Bornemisza group own 43 per cent each of Mundogas, while Panaversal, a Brazilian-owned company, has 14 per cent.

Last October, Royal Dutch Shell and British Petroleum cancelled plans for an onshore terminal to land 1.5 to 2m tonnes annually or LPG because safety and environmental controls would have nearly doubled the original £1 350m (£74.5m) price tag.

# Poland to try coal strike leaders in military court

BY CHRISTOPHER BOBINSKI IN WARSAW

SOLIDARITY union activists accused of leading long-running strikes in two of Poland's main coal mines are to be tried by a military court, the official Press reported yesterday.

Seven men are charged with organising an underground strike by more than 1,000 miners at the Piasa colliery. The strike lasted from December 12—the day martial law was declared—until December 28.

A further 11 men will be tried on similar charges stemming from an 11-day stoppage at the Ziemowit pit. Some have also been accused of "using threats against miners aimed at forcing them to strike."

More than 150 Solidarity activists have been jailed for organising strikes or other protests since martial law was proclaimed in Poland, official figures show.

Justice Ministry figures available for December 13-January 15 period show that of the 142 people sentenced, 73 received less than three years in jail, 39 were given three years and 30 more than three years. At least nine have been sentenced since then.

The Army daily, Zolnierz Wolosci, reported yesterday that, in the past week, 30

civilians had been arrested for offences against martial law regulations.

One man from Gdansk received a four-year sentence for distributing leaflets, another five years for organising a day-long strike in two departments of an aircraft factory in Rzeszow and a third three years for writing a leaflet.

The authorities have arrested five men suspected of producing

an underground Solidarity bulletin called "From Day to Day" in Wroclaw, the newspaper adds.

The bulletin recently denied official institutions that 230m (£ withdrawn from the union's bank account 10 days before martial law had been stolen. Mr Wladyslaw Fraszyniak, Solidarity's regional leader, who is still at liberty, and Mr J Pinior, another union official, said the

money was withdrawn in case of a clampdown. It would be used to help the families of members interned and in hiding and to finance union activities.

Border-style control points have been erected on all main roads leading out of Warsaw in move which would enable the authorities to seal off the capital in a matter of minutes, travellers reported yesterday.

# Why W. Germany may refuse Moscow loan request

BY STEWART FLEMING IN FRANKFURT

AT THE beginning of December, before the military takeover in Poland, the Deutsche Bank in Frankfurt received a request for a DM 300m loan from the Soviet Union.

At the time, it must have appeared to the bankers that the proposal was a routine credit negotiation with a country whose credit standing up to that point was impeccable.

Moreover, the Deutsche Bank was leading a consortium which had already agreed to lend DM 2.55m to finance the proposed new gas line from Siberia to Western Europe. Both countries were agreed that in spite of the opposition of the U.S., the project was mutually beneficial. The new credit request, which was to be considered in the context of the pipeline financing, was perhaps an unexpected new development since the loan agreement had been signed. But in the context of such international credits it was not all that out of the ordinary.

clear they oppose the transaction, and there has been speculation that because of their opposition the credit might be denied.

For it to become known that German banks were unwilling to grant the Soviet Union such a credit would be a tremendous blow to Soviet prestige, and also to its international standing as a borrower on world capital markets.

It would further heighten tensions in the financial relationships between Eastern Europe and the West at a time

when Western bankers are asking themselves how they can preserve a basis on which these relations can be continued.

The uncertainty over what, by international standards, is quite a modest sum, can be traced directly back to the Polish crisis which has precipitated dangerous conditions in the financial markets.

Poland has already reached a position in which it can expect no further credit from Western bankers unless it pays some \$300m of overdue interest. Romania is also in payments

difficulties.

Western bankers have been forced to re-think completely the basis on which they have lent to Communist countries. It has always been assumed that the Soviet Union, with its wealth and political commitments to its Comecon partners, would come to the aid of any of them in financial trouble.

Poland's Eastern neighbours have given aid, but not enough to enable the country to meet all its obligations to the West. This has tended to weaken the creditworthiness of other

Eastern bloc countries since it has eroded one of the foundations on which lending to the East has been built.

Romania, as the next most exposed Communist country has been the first to feel the effects.

On purely economic grounds early settlement of the Romanian rescheduling is necessary to reduce the risk that its debt problems may cast another cloud over the creditworthiness of the Eastern bloc.

The political atmosphere, however, threatens to make this difficult.

Indeed, it will be tempting for some politicians—in the U.S. in particular—to try to manipulate the Romanian question to put more pressure on the Soviet Union over Poland.

Even before the chill settled over East-West relations, it was apparent that the problems of the Western bankers were likely to lead to a reduction in their lending in the Eastern bloc. Growth has been rapid over the past 10 years but some West German bankers now say they are restricting their lending to trade finance which helps their German customers.

# Soviet short-term borrowing shows increase

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE SOVIET UNION stepped up its short-term borrowing from international banks during the first half of last year as well as drawing heavily on its reserves to meet a squeeze on its convertible currency resources.

Latest figures from the Bank for International Settlements (BIS) show Soviet short-term borrowings at the end of June stood at \$6.5bn (£3.5bn) or 46.7 per cent of its total \$14.5bn borrowings from Western banks.

The short-term borrowings, classified as loans maturing in one year or less, were only 41.9 per cent of total borrowings at the end of 1980 which themselves were markedly lower at \$13.4bn.

The BIS has already reported that the Soviet Union drew \$5bn on its deposits with Western banks during the period. The drawings were believed to have been used to finance a widening trade deficit with the West as well as aid to Poland.

But the latest BIS figures

show that, at least in the first half of last year, some East European countries were able to escape the knock-on effects of the debt crisis in Poland.

Short-term borrowings can sometimes be a useful indicator of confidence in the Euromarkets as they tend to rise when political or economic considerations make lenders reluctant to enter into long-term commitments.

Hungary was, however, able to reduce its short-term borrowing during the first

half of last year. At the end of the period, short-term loans amounted to only 35.9 per cent of its total \$7bn borrowings, whereas at the end of 1980 the percentage was 42.9 on total borrowings of \$8bn.

Elsewhere in Eastern Europe, Poland had short-term loans from Western banks of \$4.7bn at the end of June compared with total borrowings of \$14.7bn. Romania's short-term borrowings were \$2.5bn on total borrowings of \$5.4bn.

As the financing problems of the East have increased and the theory that the "command" economies can adjust more readily to economic adversity has also come into question, the planned gas pipeline between Siberia and West Europe has become more important.

For those who believe that the time has come for the West to increase the pressure on the Soviets, halting the pipeline project becomes an even more attractive option. The difficulty is that there are many Western banks, heavily committed in the East, and countries such as West Germany bordering the Communist bloc, who will have to live with the political and economic consequences.

# EEC bars cheap food sales

By Our Brussels Correspondent

THE EUROPEAN COMMISSION ruled out yesterday any further prospect of cut-price food sales to Poland amid growing signs of reluctance among EEC member states, to introduce quickly any additional measures against Warsaw and the Soviet Union.

M Gaston Thorn, the Commission president, told the European Parliament in Strasbourg yesterday that the Commission was scrapping a proposal made last October to spend another £20m on a subsidised food sale to Poland.

The declaration of martial law, he said, made controlling the distribution of food much more difficult, implying that the EEC could no longer be sure it was reaching the people for whom it was intended.

Nevertheless, M Thorn said to the Polish food shortage grow worse and it would be ready to start selling food under normal commercial terms. It would also try to promote a portion of the planned £20m subsidy on humanitarian aid which would be distributed by non-governmental agencies such as the Red Cross and Caritas.

The Commission's declaration fills a lull which has settled on the Polish front since European governments agreed with the U.S. in the Nato Council 12 days ago to consider action against both Poland and the Soviet Union.

Present indications are that their deliberations will last another two or three weeks and may not even then result in concrete action.

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AMERICAN NEWS

Owners of Jari mining 'kingdom' hold first meeting

BY ANDREW WHITLEY IN RIO DE JANEIRO

TWENTY-THREE of Brazil's leading banks and private companies met for the first time in Sao Paulo yesterday as the new owners of Jari, the controversial Amazonian farming and mining 'kingdom' formerly owned by Mr Daniel Ludwig, the U.S. shipping magnate...

Executives in U.S. sceptical of forecasters

By Our Washington Correspondent

THE U.S. businessman places his trust in no particular economic forecaster, but if pressed will come up with a few well-known names—and himself. This is the finding of a poll conducted by the Wall Street Journal and Gallup published yesterday...

David Lascelles in New York examines the mounting criticism of U.S. monetary policy Fed suffers as money supply problems grow

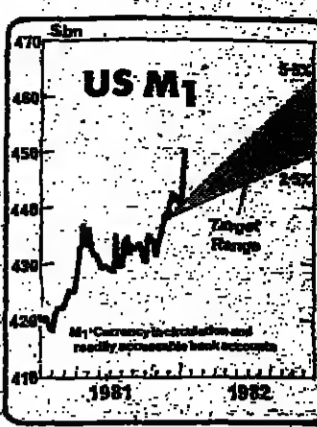


Mr Paul Volcker

The White House has been back on the offensive against a familiar scapegoat this week, the Federal Reserve Board, accusing it of undermining investor confidence by failing to keep the money supply under control. President Ronald Reagan said at his Press conference on Tuesday that this shortcoming was giving "the wrong signal" to the money markets...

At that time, the Fed allowed bank reserves to grow at a faster pace. Bank reserves, which are the building blocks of credit, are the main means the Fed now uses to influence the growth of the money supply. Pointedly, the easing took place just as Mr Reagan made his widely publicised plea to the Fed not to overdo things, although the Fed denies, of course, that it heeds political pressure...

effect of the Christmas and New Year holidays on payments, and even the severe winter fog has disrupted delivery of bank documents. Bolstering this argument is the fact that the Fed's relationship to other money measures, notably the monetary base, has become out of kilter since early December. Before then, these measures' rates of growth were converging. Now, Mr Reagan has been saying that something unusual is going on, not for the first time, given the trouble the Fed has had defining and steering all its "Ms." Meanwhile, the more measured pace of growth in the monetary base suggests the Fed has still got things basically under control...



The White House may be worried that things are happening too soon. That over-optimistic money growth now will force the Fed to clamp down and set off another recession later in the year. Ideally, a smooth recovery starting in the spring could set things humming nicely in time for the November polls. The Fed has never claimed to have perfect control over the money supply. And was though it admits it deliberately engineered the increase in M1 towards the end of last year to make up for the sluggish growth it showed earlier, the bulge is potent ammunition for critics who demand greater consistency from the Fed...

U.S. losing 16% of oil and gas royalties

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. GOVERNMENT is losing about 16 per cent of the \$52n (£2.6bn) oil and gas royalties due to it from private leaseholders because of mismanagement and fraud. This is the conclusion of a special commission set up by the Interior Department to investigate the chronic underpayment of energy royalties and "oil theft"...

Salvador army 'retakes rebel held town'

BY DAVID TONGE

The El Salvador army claims it has regained control of Jocotique, a rebel-held town near the Honduran border, AP reports from San Francisco. The town was captured by the Farabundo Marti National Liberation Front which denied the army's claim and said guerrillas were still in control of the town 17 miles north of this capital of Morazan province...

Washington at centre of continuing UN controversy

BY DAVID TONGE

THE SCUFFLING in the corridors of the United Nations in New York ahead of Wednesday's Security Council vote on sanctions against Israel was grist to the mill of the swelling number of critics of the UN in the U.S. The vote in favour of the Jordanian call for "concrete and effective" retaliatory measures against Israel for its annexation of the Golan Heights was overwhelming, pushing the U.S. into the use of its veto, having drawn from the U.S. chief delegate, Mrs Jean Kirkpatrick, the testy observation that the Security Council's role was to prevent an aggravation of the situation...

month elected the Peruvian career diplomat, Sr Javier Perez de Cuellar, as its fifth Secretary General, contains much of the U.S. and other critics of the system value deeply. One of the successes of the 50 countries who gathered in the San Francisco Opera House in 1945 was that they created a scheme with something for everybody. Change now would involve reopening the UN's charter—and none of the major powers are prepared to take the risks involved. For the major powers, the UN's main virtue—indeed a sufficient reason for them to send some of their senior diplomats to New York—is the Security Council...

The U.S. mission at the United Nations is keeping a computerised record of the votes cast there by other nations and will not ignore votes against U.S. interests, a mission official said yesterday. Reuter reports from Washington. He said the aim of the record was to show other delegations that they were responsible for their actions. The official, who asked not to be identified, was speaking to reporters at a lunch held by the Heritage Foundation, a conservative research organisation, which said it was making a series of studies of the UN. The foundation's first report, issued yesterday, gave a generally negative view of the world body which it accused of seeking to redistribute U.S. resources and of aiding terrorists...

from its hold-on-the-UN's purse strings. The U.S. contribution is 22 per cent of the body's budget of \$1.2bn for 1981 and ECG members a further 27.3 per cent. Last March, the 16 major Western contributors agreed in Geneva to block increases in this budget in the next two years and to follow a similar line towards the agencies. This tougher approach was underlined in November when Britain among other countries mounted a challenge to the budget of the FAO. The West claims that it is making slow progress in some areas. It may have long criticised UNESCO for straying from its mandate to deal with education and culture into politics, but this week's ECG diplomats were expressing the hope that M. Armand, M. Bow, the director-general of UNESCO, had begun to accept their concern over attempts to introduce a new information order restricting journalists. Last Sr Perez de Cuellar is being urged to come to grips with the UN secretary, where he has already prompted some concern in the West by his stress on the UN's need to concern itself with development, not just with peace...

An increasing number of third world countries are looking to the UN for answers on the development issue. Many believe development is the UN's mission for the 1980s—now that of decolonisation has ceased to figure so large, that there are at least prospects of Namibian independence that the UN's continuing political preoccupations show signs of being restricted to the Middle East. But one problem has beset the UN throughout its history. Nations are reluctant to give away authority. The UN has fallen short of its founders' ideals for this more than most other reasons and become only "the Best United Nations we have," as Lord Carrington, the British Foreign Secretary, has put it...

Women's rights setback

BY ANATOLE KALETSKY IN WASHINGTON

THE DECADE-LONG attempt by the American women's movement to win the constitutional right to equal treatment in all aspects of law suffered a major setback yesterday when the Georgia House of Representatives refused by a two-to-one margin to ratify the Equal Rights Amendment (ERA). The result was a big disappointment for the movement's campaign because Georgia had been singled out for particularly intense lobbying. This included personal endorsements of the ERA by former Presidents Carter and Ford and their wives. Georgia's rejection of the ERA follows a defeat for the ERA in Oklahoma earlier this week. The ERA, which was passed by a large majority in both the U.S. House of Representatives and Senate in 1972, has to be ratified by 35 states' legislatures to become part of the U.S. constitution. The final deadline for ratification is June 30, and the ERA campaign is still three states short. Of 35 states it needs for ratification.

Jamaican GDP grows by 1.5%

Jamaica's economy grew by an estimated 1.5 per cent last year, the first increase in gross domestic product (GDP) for nine years, according to Mr Edward Seaga, the Prime Minister and Finance Minister, Cazotte James reports from Kingston. Mr Seaga said the small GDP increase was significant following a 4.4 per cent fall in 1980. Mr Seaga's Administration was elected in October 1980 promising economic growth.

Montreal strike off

Public transport yesterday looked set to return to normal in Montreal after 6,700 bus and underground railway workers voted under government pressure to call off a six-day strike, Reuter reports from Montreal.

NOTICE OF REDEMPTION

To the Holders of

Plywood-Champion International Finance Company

5 1/4% Convertible Guaranteed Debentures due 1983

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1982 providing for the above Debentures, \$216,000 principal amount of said Debentures have been selected for redemption on February 15, 1982 (the "Redemption Date") through operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date, as follows:

Table with columns for Debenture numbers and amounts. Includes 'Those outstanding Debentures of \$1,000 each of prefix "M" bearing numbers ending in the following two digits:' and 'And Debentures of prefix "M" bearing the following numbers:'

On February 15, 1982, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the Redemption Date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Buenos Aires, Frankfurt am Main, London or Paris; Banca Varesse & C. S.p.A. in Milan; Banque Bruxelles Lambert S.A. in Brussels; and Banque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due February 15, 1982 should be detached and collected in the usual manner. On and after February 15, 1982 interest shall cease to accrue on the Debentures herein designated for redemption. Debentures are presently convertible into Common Stock of Plywood-Champion International Corporation (formerly U.S. Plywood-Champion Papers Inc.), at the offices mentioned above, at the rate of 37.38 shares of such Common Stock for each \$1,000 principal amount of Debentures. The right to convert any of the above Debentures called for redemption will expire at the close of business on the Redemption Date.

Plywood-Champion International Finance Company

NOTICE The following Debentures previously called for redemption have not as yet been presented for payment:

Table with columns for Debenture numbers and amounts. Includes 'DEBENTURES OF \$1,000 EACH:'

UN group approves funds for African news agency

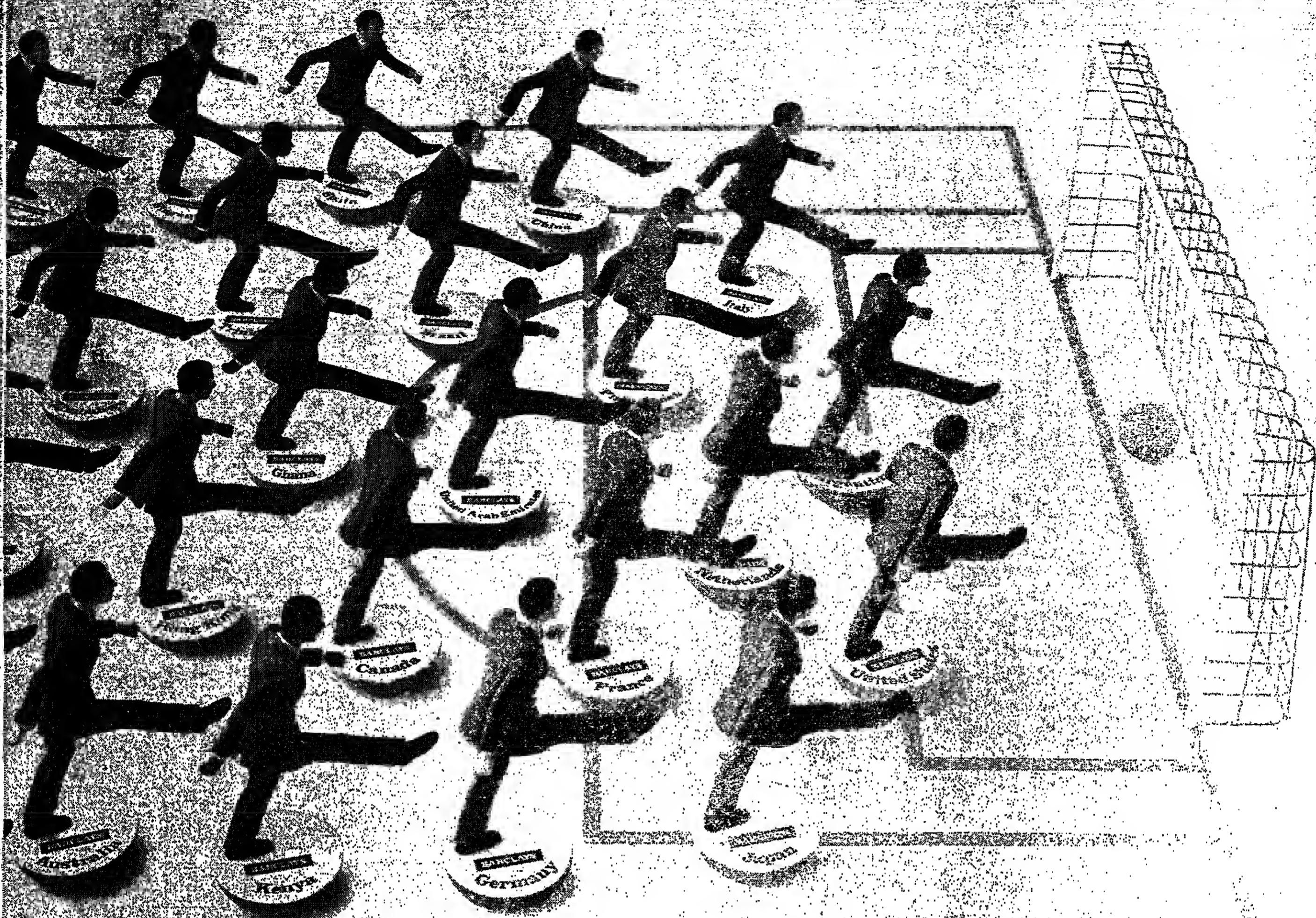
BY DAVID TONGE

A UNITED NATIONS working group agreed this week in Acapulco, Mexico, to give \$1.5m (£30,000) to help launch an African news pool. The project for the Pan-African News Agency is one of 150 such schemes costed at over \$90m which the Third World is backing in order to reduce its dependence on Western news media. The agreement was reached on Wednesday night by a working group set up by the International Programme for the Development of Communications, a body of 33 rich and poor countries set up as a result of the long and bitter debate over a "new world information order" in UNESCO, the UN Educational, Scientific and Cultural Organisation. Many Western countries fear this new order could legitimise state control over journalists

and endanger the freedom of the press in Britain, the U.S. and Germany. They have been fighting tooth and nail to prevent this, backing the formation of the IPDC to take some of the sting out of the debate. They believe the IPDC should act as a clearing house for projects to help developing countries' communications and have refused to make significant contributions but other countries such as France have agreed to help IPDC become a fund to finance new projects. The results of the working group have to be endorsed by a full meeting of IPDC on Monday. The next round in the long battle over the new information order is to be fought in Paris later this year when debate starts on UNESCO's medium term plan for 1984-89. In 1983 the argument could again rage during the body's general conference.

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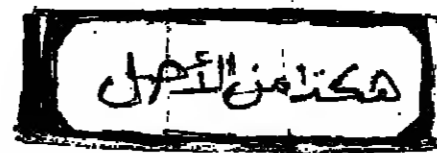
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PEOPLE WHERE IT COUNTS.





# Tootal ends fabric printing and sheds 600 jobs

BY NICK CUNNETT, NORTHERN CORRESPONDENT

**TOOTAL**, THE UK's third biggest textile company, is to close Strines, its Manchester fabric printing plant with the loss of 600 jobs.

As a result, the company, which has seen its workforce shrink by one-third in the past two years, will not print fashion fabric in Britain.

Tootal yesterday blamed the closure, which will be put into effect over the next few months, on a persistent decline in demand for such fabrics, erosion of cash margins and growing imports of fabrics and clothing.

The closure will lead to 470 redundancies at the plant, a further 100 in marketing and administration elsewhere in Manchester, and about a dozen redundancies in marketing at both Luton and Luton.

Tootal's fabric printing plant has not only been supplying companies in the Tootal group, but has also carried out printing for other manufacturers.

The company introduced a single-shift at Strines two years ago and an administration start in an attempt to stem losses, which were already becoming serious. That measure resulted in 280 redundancies.

Tootal said this move "unfortunately proved insufficient to stem the continuing losses at these works." It has already

# Port dispute cost Trio Lines up to £30m

By Brian Groom

**TRIO LINES**, the international shipping consortium, hopes to begin using the Port of Southampton again soon, despite the fact that the port's 10 months of almost continuous closures has cost Trio—its biggest customer—up to £30m.

Mr Michael Leslie, heading Trio's team negotiating a new contract with the port, said he was delighted with yesterday's British Transport Docks Board agreement with its workers who are to return to full shift work tomorrow. Trio last used the port in September.

Mr Leslie's team met with port officials again yesterday, but he emphasised there are problems still to be resolved after months of negotiations. A 10-year contract between Trio and the port ended on Monday.

His comments are encouraging for Southampton, which is faced with the task of winning back business.

Mr Leslie is UK assistant general manager of Nippon Yusen Kaisha, one of two Japanese companies in the five-line consortium, which operates the Far Eastern trades.

# John Griffiths looks at the tangled finances of the Belfast car group Government plans tighter grip on De Lorean

MR JOHN DE LOREAN and his executives in Belfast and New York should by now have a pretty clear idea of how the Government plans to exert greater influence on the car company for which it has provided £56.86m in cash and £10m in bank guarantees.

The pace of events in the past two weeks, with De Lorean seeking a further £30m in aid and with 1,000 jobs now at risk, has served to obscure the significance of a pre-Christmas Commons answer by Mr Adam Butler, the Northern Ireland Minister of State.

In it, he said the Government has decided "in principle" to extend guarantees for existing bank loans. The details of conditions for doing so would be given later.

Thus, well before Christmas, De Lorean's board knew that the price for the guarantees being confirmed was likely to be a firmer Government grip on the company's affairs. Mr Butler's statement in the Commons this week that the guarantees would be extended, but that a major review would be made of the Government's role, is partly retrospective.

The process is already in train, and De Lorean's latest predicament has served only to strengthen the Government's resolution.

It is covering ground of considerable complexity, both in terms of the structure of the several entities comprising the



De Lorean enterprise and the existing Government relationship with it.

All Government funds injected into De Lorean have been through De Lorean Motor Cars, the Belfast manufacturing subsidiary. It is in this company that the Northern Ireland Development Agency holds its £17.8m equity stake, a £1 redeemable participating preference share, of which it is the sole holder.

De Lorean Motor Company of the U.S., the sales and distribution company, is its perfect, DMC's contribution to the Belfast company was £546,000 share capital—all the common £1 stock.

But DMC controls it, because it has 90 votes per share against the 1 per share of the Northern Ireland Development Agency's stock.

De Lorean Motor Company itself is controlled by John De Lorean, who holds 10m of the 11.5m common stock through De Lorean Manufacturing Company, which makes tracked snow vehicles among other activities. That company is in turn wholly owned by a group named Cristina (the name of Mr De Lorean's wife) a Nevada-based corporation, again wholly owned by Mr De Lorean.

Until the decision at the start of this year to abandon a planned public share issue for

# Increase in private architects' commissions

By Paul Hannon

**NEW** commissions for private architects in the UK rose 13.7 per cent in real terms in the third quarter of 1981. This followed an 8.2 per cent increase in the previous quarter.

According to the Royal Institute of British Architects, the rise would have been sharper but for the continued decline in public sector commissions, which were 28 per cent down on the corresponding period in 1980.

Private sector architects derive about 25 per cent of their fee from public sector sources. The comparable figure two years ago was 36 per cent.

In the private industrial and commercial sectors new commissions in the third quarter of 1981 were 40 per cent higher in real terms than in the comparable 1980 quarter. The institute suggests that the over-increasing rather than just diminishing less sharply.

Private housing commissions increased steadily on an annual basis, although less sharply than the trend in non-housing.

Private practices in London and the South of England improved their workload, while Scottish architectural offices received their lowest level of new commissions for four years.

# MP calls for action on Libyan debt to Lovable

FINANCIAL TIMES REPORTER

MR NORMAN HOGG, MP for Cumberland, has called on the Department of Trade to take urgent action to retrieve £800,000 owed to Lovable—the brasserie company where the receivers were called in last October—for goods sent to Libya.

He said a central purchasing authority in Libya placed orders for £1.5m worth of goods, and although £1m worth of goods had been sent only £200,000 had been paid.

"The receiver told me the Libyan order is not the only difficulty facing Lovable, but I am in no doubt that if the cash

was forthcoming it would help greatly."

When Lovable went into receivership it was announced that the company had healthy order books but was suffering from a severe cash flow problem.

Shortly afterwards 123 employees were made redundant. Shop stewards believed that the move had safeguarded the remaining 300 jobs.

Earlier this month the receivers, who are now in Italy, announced that they had reached an advanced stage of negotiations to sell the company to Lovable Italy, in association with Berlei (UK).

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UK NEWS

Best year ever for investment in unit trusts

BY ERIC SHORT

LAST YEAR was the best ever for unit trust investment. Sales of £555m were almost double the figure for 1980, the previous high.

Forward indicators offer more hope of recovery

BY DAVID MARSH

GREATER HOPE for the strength of the economic recovery emerged from the Government's latest batch of forward-looking indicators published yesterday.

Institutions turn from overseas shares

By David Marsh

UK INSURANCE companies, pension funds and other big institutional investors sharply lowered their purchases of overseas shares and returned as buyers to the London equity market in the third quarter last year, according to official figures published yesterday.

Burton chief forced to drop house deal

BY JOHN MOORE

INSTITUTIONAL shareholders of the Burton Group, the clothing company, have forced Mr Ralph Halpern, the chairman and chief executive, to drop plans for a controversial house purchase deal.

Pilkington's tax cut plan rejected by Law Lords

By Raymond Hughes, Law Courts Correspondent

ANOTHER multi-million pound tax avoidance scheme has fallen at its last legal hurdle in the House of Lords.

Mitsubishi cuts truck allocation to British importers

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MITSUBISHI OF JAPAN has cut the allocation of light commercial vehicles to its importer in the UK by 40 per cent from last year's level—from 1,000 to 600.

A hard Act to follow for City regulators

Duncan Campbell-Smith analyses proposals for new rules on licenced dealers

THE DEPARTMENT has itemised those aspects of each management contract which must be explicitly covered by contract, and is particularly fastidious over discretionary management arrangements.

City regulators

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U.S. coal chief proposes talks with Europeans

Martin Dickson reports on a call to give buyers a better understanding of the American market

TALKS BETWEEN European coal consumers and U.S. producers were proposed yesterday by Mr Carl Bagge, President of the U.S. National Coal Association.

Counties protest at loss of aid from EEC

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

A three-man delegation from Devon and Cornwall is to lobby the counties' MPs and two Euro-MPs next Tuesday against an EEC proposal which would reduce the area's grants from the regional fund.

World Coal Markets Conference

The fall in U.S. coal fired capacity was due partly to a reduction in the average size of new units because of the budget constraints facing some utilities.

To Future Generations, Security. Social welfare is a subject of serious consideration in most modern societies. Man in the twentieth century accepts his responsibility to bequeath to the next generation a society better than his own. Daiwa Bank is not unique in accepting this responsibility, but Daiwa is unique in making acceptance of this role in society an integral part of their banking service.

U.S. coal chief proposes talks with Europeans. Martin Dickson reports on a call to give buyers a better understanding of the American market. TALKS BETWEEN European coal consumers and U.S. producers were proposed yesterday by Mr Carl Bagge, President of the U.S. National Coal Association.

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World Coal Markets Conference. The fall in U.S. coal fired capacity was due partly to a reduction in the average size of new units because of the budget constraints facing some utilities.

APPOINTMENTS. Promotion at Babcock Power. Mr R. Bagley, managing director of the contracting division of BABCOCK POWER since 1978, has been promoted to deputy managing director of the company.







# FINANCIAL TIMES SURVEY

Friday January 22, 1982

# Building Societies

The societies' special relationship with their customers has dwindled as competition from National Savings and banks has put them under increasing pressure. In question is the ability of smaller societies to survive and the way the movement should develop in future.

## Banks setting the pace

BY MICHAEL CASSELL

THE BUILDING SOCIETIES have had a distinctly unenviable year and they begin 1982 with few illusions about the scale and strength of the challenge which threatens their future.

Wrapped costly in a blanket of self-assurance that has been woven by years of dominance in the personal savings and housing finance markets, they have finally been exposed to the icy blast of full-scale competition from the banks.

Some societies believed it would never happen, others that it might, now all of them are having to come to terms with a fresh set of ground rules and a clientele which has proved itself ready to do business (lending or borrowing) with whoever makes the best offer.

The societies' longstanding pride in their "special relationship" with the customer looks increasingly vulnerable as deposits dwindle and huge numbers of home buyers desert in an increasingly successful search for higher returns or lower mortgage charges. Banks are now lending on at least one in four mortgage advances.

The industry has several unpalatable facts on which to ponder. The Government intends to finance a large part of the public sector borrowing requirement from the private savings sector, while the banks seem hellbent on setting the pace in the mortgage market, not least because they wish to rebuild their savings deposit business.

What is more, both sets of competitors have been extremely effective at a time when the recession has itself made the going tough. The societies may complain that the Government's "tapping device" is grossly unfair and they may also charge the banks with indulging in a temporary mortgage market flirtation, but no amount of foot-stamping is going to flatten the opposition.

While the societies have huffed and puffed and tried to reach some consensus on how best to react to the new set of circumstances, the efforts of their competitors have paid handsome dividends. Not only are the societies' problems confined to repelling the challenge from beyond their own ranks, with competition between them reaching new and uncharacteristically strident heights.

Whatever the longer-term aspirations and targets of the banks (how will they fare if interest rates fall back significantly?) the extent of their recent inroads into the mortgage finance market has been remarkable.

As the building societies readily point out, the banks have been down the housing finance road before and then withdrawn when demand from traditional customers returned. There are those within the societies, unconvinced about the long-term threat posed by the banks, who take comfort from this previously erratic performance. But for the time being at least, the banks show every sign of viewing mortgage business as an

important element in their financial services.

The latest available figures on bank lending amply illustrate the extent of the inroads which have been made into the societies' traditional territory. In the three months to the middle of November 1981, the banks lent £305m for house purchase against £800m in the previous quarter and just £311m in the preceding three months.

By the end of last year, outstanding mortgage loans had risen to nearly £5bn and while, 12 months ago, the banks accounted for about 10 per cent of the new home loans market, the figure looks to be substantially in excess of the 25 per cent level which has recently been widely assumed. Indeed, in the November quarter alone, the banks appear to have accounted for about 40 per cent of all net advances.

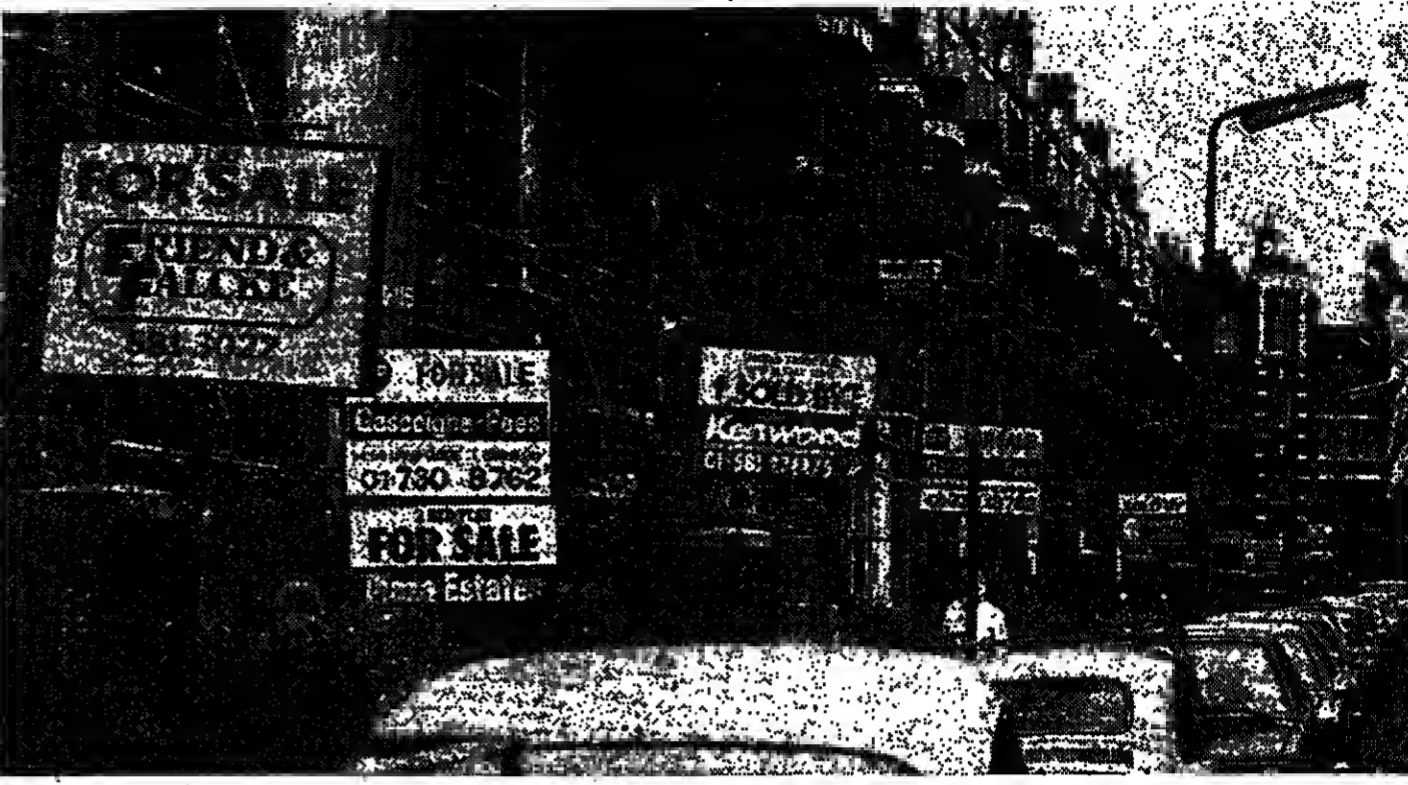
**Suspicious**

Little wonder that the first signs of official concern have already begun to show and that the authorities are keeping a close eye on events, not least because of suspicions that the banks' so-called mortgage lending is extending to embrace a wide range of consumer items.

But the societies' problems are compounded by the intense pressure being applied simultaneously to the savings side of their business. The Government's determination to help finance the public sector borrowing requirement via the

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Profile: Mr Gerry Esam of NatWest Bank	III



Roger Taylor

personal savings sector—it is looking for £3bn in the current fiscal year—helps to tighten the straitjacket.

The societies are forced to accept that they simply cannot compete on equal terms with National Savings and their room for manoeuvre is now strictly limited by the effective ceiling placed by the banks on what the societies can charge for mortgage funds.

As Mr Roy Cox, chief general manager of the Alliance, recently put it: "One could be forgiven for thinking that the Government had prompted the banks into effectively pegging our mortgage rate so that National Savings could carry out a mopping up operation."

The dilemma has brought considerable disarray to the societies on the question of mortgage interest rate policy. Sufficiently concerned by the

banks' highly competitive position on mortgages and by mounting evidence that large sections of existing and potential home loan business are disappearing, the societies have been forced to take action.

No sooner had one major building society—the Woolwich—decided to abandon its differential mortgage rate policy, in an attempt to get back on an equal footing with the banks, than most of the others reluctantly fell into line.

But the differential system—whereby rates are related to the size of the loan—until now has provided the very source of additional finance required to fund the new expensive term-shares upon which the societies have become steadily more dependent.

Therefore, until the opportunity arises for an all-round adjustment in interest rates, the societies' margins will remain under considerable pressure. Some have refused to expose themselves in such a way and have held on to, or modified, differentials, but the extent to which their businesses suffer remains to be seen.

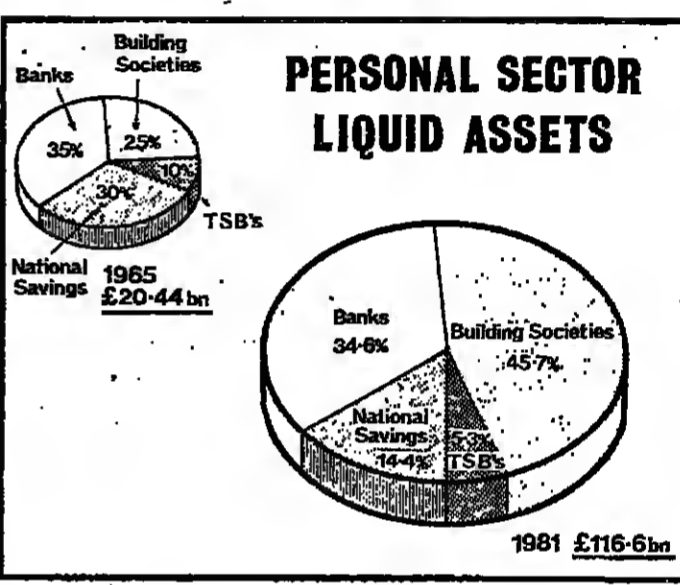
It is an irony that the liquidity of many societies is actually increasing in the face of growing numbers of mortgage redemptions on the part of borrowers changing over to the banks.

Given the short-term economic outlook and the prospect of little let up in the intensity of the all-round competition, it seems likely that many societies will be struggling to achieve any growth at all over the next 12 months.

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CONTINUED ON NEXT PAGE

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# BUILDING SOCIETIES III

William Hall on the policy and attitude of one bank to mortgage lending

## Long-term commitment to market

"WHEN WE originally entered the mortgage market in summer 1980 there was a 15 per cent overlap between our business and that of the typical building society," says Mr Gerry Esam, deputy general manager of National Westminster Bank's domestic banking division.

"The overlap is now 85 per cent," Mr Esam says and argues that the bank's entry should be regarded just like the appearance of a handful of large new building societies. The early concentration at the top end of the market has now been replaced by a broad thrust into the heart of building society territory, although NatWest, unlike some, draws the line at mortgages under £10,000.

He thinks it is unfortunate if banks' competition is squeezing some of the smaller societies out of business, but stresses that his bank is here to stay. A sign of its long-term commitment to the market is the establishment of a special unit, National Westminster Home Loans, in Newhall Street, Birmingham, to process centrally the bank's new mortgage business.

The Birmingham staff has been built up to 150 and mortgage applications are being processed at the rate of up to 200 a day. Mr Esam admits that there were teething problems but feels that the bank's centralised operation is now working well.

The initial contact with would-be borrowers usually comes through the bank's 3,000 branches and the local manager normally gives his opinion about the credit-worthiness of the client. But processing of the

application is carried out in Birmingham, which also makes the final decision to advance credit, he says.

The bank feels that while there may be disadvantages in terms of removing so much of the operation from the branches, the efficiency of a centralised operation gives better control of the bank's exposure to the mortgage market in the build-up phase, and the efficiency appeals to clients' professional advisers, such as solicitors.

### Rival

National Westminster, which has the largest UK branch network of all the clearing banks, has been slower than its close rival, Barclays, in penetrating the market. But Mr Esam says the bank has now committed more than £500m and his boss, Mr Maurice Denton, says the bank wants to become a "major force" in the mortgage market. Mr Esam argues that the bank's decision to move into the mortgage market was not just to get a share of the lending but to protect the other side of the bank's balance sheet as well. National Westminster should be seen to be servicing all of a customer's financial needs, he says.

If a client has a mortgage from National Westminster it is likely that he will deposit his surplus funds with the bank, instead of with a building society. Indeed, the bank's mortgage application form contains a clause which says that in the event of an advance being made, the customer must maintain a bank account with NatWest.

Mr Esam says that customers must think in terms of a bank for "the totality of their needs." He accepts that the bank's invasion of the mortgage market might force the building societies to move more into the banks' traditional areas of money transmission, but warns that anyone thinking of issuing cheque books "cannot forget the cost of dealing with those items, particularly the paperwork."

He denies that National Westminster, in common with the other clearers, is interested only in picking up mortgage business in the profitable South-East but admits that the bank's £10,000 minimum might make this look to be the case. A greater proportion of under £10,000 mortgages are made in the less well off areas of the country where house prices are depressed.

He also dismisses the other complaint by building societies that the banks are taking mortgages on to their books as loss leaders. "I would expect to see a worthwhile profit over the medium-term," Mr Esam says. "The market is a pretty good one. There are no bad debts to speak of, provided one observes reasonable criteria." In addition, he believes that it is more profitable business for the bank than ventures such as the business start-up scheme.

The bank has not yet become as heavily involved as Barclays and Lloyds with builders, offering financing schemes for first-time buyers. However, Mr Esam says the bank is reviewing the ways it can help the housing market and does not rule out joint ventures with local authorities.



Mr Gerry Esam: National Westminster's centralised mortgage operation is now working well with up to 200 mortgage applications a day being processed. The bank wants to be a major force in the business



Some societies are developing a closer involvement with the problems of inner cities by making finance available specifically for homes in these areas

## Poor quality housing a key problem

THE RIOTS in Britain's inner cities last summer vividly brought home to the Government and public alike the reality of the poor housing conditions in which many people live. Whether such housing was the main cause of the riots is an open question, but there can be little doubt that sub-standard living conditions do not help to create a stable society.

But how much of the blame for the poor housing in the inner cities can be laid at the doors of the building societies rather than local and central government? Certainly most observers believe that the failures rest largely with local authorities and whether the building societies come in for criticism as well.

The National Consumer Council in its recent complaints and redress report on building societies argued that building societies cannot fix their eyes on the problems of the inner cities. The council says: "In the past they have, by their failure to lend on certain types of property in certain areas, contributed to inner-city decline."

Mr Mark Boleat, deputy secretary of the Building Societies Association, rejects such criticism. "A few years ago it was fashionable to argue that building societies were contributing to inner-city decline by refusing to lend in problem areas," he says.

Societies, rightfully, rejected such criticisms, although of course there must have been cases where building society lending policy could have been faulted. "Now, it is significant that there is a growing body of opinion which suggests that building societies should not be lending too freely downmarket, because this makes up problems for the future."

For example, Mr Boleat quotes a London Housing Aid Centre report, which says: "Evidence of growing problems affecting existing owner-occupiers (arrears and threatened foreclosure, problems of maintenance and repair, and marital breakdown) is a further reason for doubting the wisdom of excessive extension of owner-occupation down the income ladder and into poor quality properties."

The report, Mr Boleat points out, went on to comment: "The traditional caution of the societies may well be in the best long-term interests of marginal groups of potential purchasers since the high repair and maintenance costs of cheaper, poor quality housing can lead marginal buyers into serious difficulties."

Mr Boleat believes that the building societies generally accept these points. "The wider arguments about encouraging poor people to buy houses in inner cities have fortunately disappeared and I think there now is a general understanding of the need for building societies and other lenders to exercise caution while doing everything possible to help the people concerned and the areas."

The key problem with the inner cities is the poor quality of the housing stock. In London, in spite of extensive clearance and rehabilitation schemes since the mid-1960s, the degree

### Inner cities

DAVID CHURCHILL

of poor housing has actually increased. More than 241,000 properties are now unfit and 233,000 lack at least one of the basic amenities—representing about one-fifth of London's total housing stock.

Moreover, there are still more than 200,000 households on council waiting lists, 1,800 families in bed and breakfast accommodation, and about 1,500 people sleeping rough each night.

The problem in London and in most of Britain's other major cities is that the private rental sector has slowly diminished over the years as a result of Government legislation in the mid-1960s. At the same time, Government cuts in public expenditure over the past decade have severely limited the amount of new council house-building.

Mr Clive Thornton, chief general manager of the Abbey National Building Society, says that "the overcrowded waiting lists for local authority accommodation and the declining private, rented sector have under-

lined my belief that building societies are ideal institutions to take a major part in providing accommodation for rent."

Mr Thornton, who was part of the Environment Secretary's fact-finding team which visited Liverpool after the Toxteth riots, says that it is apparent that local authorities no longer have the means either to substantially add to their stock or adequately maintain what they already have.

"Large council estates 'red tip' themselves more graphically than any building society could be alleged to have done," he points out.

The Nationwide Building Society has earmarked £1m to help in the regeneration of inner-city areas of Manchester. The money will be made available to help people buy derelict homes in areas close to the city centre.

The houses were acquired by Manchester City Council over the past six years but cuts in budgets meant it was unable to redevelop the properties itself. Consequently, the Nationwide stepped in by making funds available for prospective purchasers who will also renovate the properties.

The Woolwich also has a number of schemes to help people buy homes in the inner cities. Last year it launched the "Homes for Westminster" scheme aimed especially at first-time buyers. It has also helped provide finance for inner city properties in Nottingham and in parts of Northern Ireland.

The key question for the building societies movement in the 1980s is whether they should become more involved in house-building. In a speech to a BSA conference, Mr Keith Brading, the Chief Registrar of Friendly Societies and the Government "watchdog" over building societies, comments that if the societies are to expand beyond their traditional areas of operation then it is logical that they should seek to do so in the housing field rather than in the financial field.

The Abbey National has become one of the first societies to attempt to expand its role in this way. The 1982 Building Societies Act does not permit societies to hold land directly. However, the Abbey has set up a separate organisation, the Abbey Housing Association—registered in May 1980—which became the first approved body under the assured tenancy provisions of the 1980 Housing Act. Abbey National provides both the management structure and funds for the association.

On a site which had been derelict for some 20 years in the London Borough of Tower Hamlets, the association succeeded in building houses within six months of purchasing the land. That progress could be made so quickly was due to the co-operation of the Greater London Council, the borough council, and Barratts the builders who had successfully tendered for the project on a "design build" basis.

The aim of this and future projects was to create a mixed development with a quarter or more of the units made available for rent and the remainder for sale with costs per unit determined in relation to the estate as a whole.

"I think building societies are in an ideal situation to take advantage of the assured tenancies provision of the Housing Act, and I cannot believe that any future Government of whatever complexion would act against such tenancies," Mr Boleat says.

In the meantime, however, the Support Lending Scheme—whereby societies make funds available to local authority mortgage applicants—has just been increased to £350m a year. This support, however, is not really needed at present (it was introduced in the mortgage famine of the 1970s) since there are now mortgage funds available from various sources.

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## BUILDING SOCIETIES IV

# Faith of homeowners takes some awkward knocks

THE HOUSE PRICE game has undergone total transformation in 1981; the object now is to agonise over how much further prices will fall rather than reflect comfortably on just how much faster they can accelerate.

That, at least, has become the preoccupation for millions of existing homeowners whose unquestioning faith in the investment potential of residential bricks and mortar has taken some nasty knocks over the past 12 months.

For first-time buyers, the standards in prices may provide some grounds for encouragement, although they still have to cope with the barrage of

ever, the substantial capital gains made in recent years will continue to ensure that handsome paper profits can be achieved on sale. The trouble is that most owners have a conception of the market value of their property - usually formed by prices achieved on similar homes - and regard the failure to repeat or improve upon that level as akin to a personal disaster.

There are few grounds for believing that the growth in prices to which they have become accustomed is about to return. For although house prices are now historically cheap - the present ratio between prices and average earnings is well below the long-term average of 3:3 - and the number of transactions continues to run at very high levels, the scope for big price gains remains strictly limited by the slow growth in incomes.

### House prices

MICHAEL CASSELL

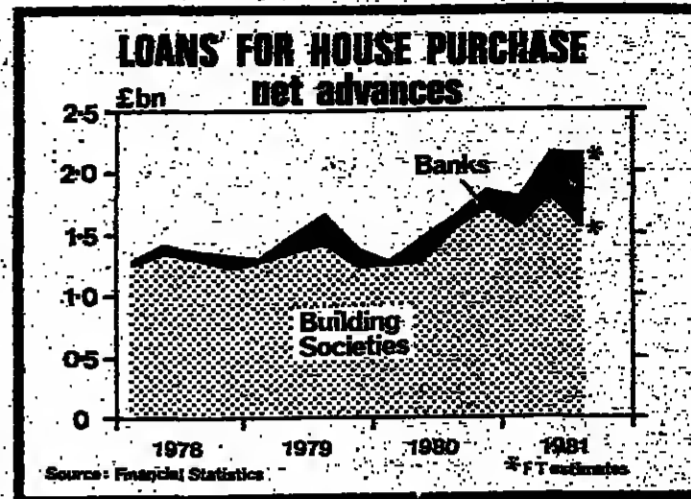
other financial obstacles which have helped reduce the private housing market to its present state.

Opinions on just what has happened to house prices over the past year continue to vary quite widely but there seems little doubt that any growth in the early part of 1981 had disappeared by the latter part of the year and that any modest overall price increases recorded were more than wiped out by inflation over the same period.

It is not a new phenomenon in the private housing sector but, just the same, the pattern has stirred assorted pundits into proclaiming that to own the roof over your head (or at least to share ownership with the building society or bank) is now more likely to lead to financial disaster than to any fortune.

The fact is that the most recent of house purchasers could, in the event of selling, find themselves unable to achieve the sort of price which they themselves had to pay. Even if they succeeded, they might well end up out of pocket by the time all the costs involved in moving had been met.

For most home buyers, how-



mortgage rates could help start things moving again.

However, another house price boom looks extremely remote and it is difficult to see a return - at least in the medium-term - to a period in which market prices rocketed ahead. Many building society people expect price rises to accelerate in the second half of this year and believe that, by 1983, significant price movements may again be achieved.

### Gloomy

Few expect the recent deterioration in prices to give way to a more extensive collapse, although the gloomiest believe that prices for some time yet could fail to keep up with the prevailing rate of inflation.

Most major lenders remain assured, however, that the strong underlying demand for home ownership is not being deterred by recent events, as the number of transactions recorded would confirm. They emphasise that while the role of private housing as an investment is invariably highlighted, people still regard their properties as their homes and most want to own them.

With about 85 per cent of the country's housing stock in the hands of owner-occupiers, the scope for bringing large numbers of additional people into the private sector remains substantial if not exactly unlimited. Which of the lending organisations ends up with the lion's share of the mortgage business remains a matter for separate consideration.



Micro-computer terminals now being installed by the Nationwide Building Society are reckoned to reduce counter transaction times by 60 per cent

## Building programme falling well short

WHILE OPINIONS about the extent of the shortfall may continue to vary, there is little doubt that Britain's housebuilding programme is falling far short of what the country requires.

The virtual demise of the public housing sector and the continuing recession in the private sector have combined to help create the type of stress which leads to social disorder. In London alone, nearly 250,000 homes are classified as unfit and a similar number lack some basic amenity.

Unit housing stock and ever-lengthening waiting lists dominate the housing situation in major cities throughout the UK and it is becoming

need to ensure that alternative housing tenures remain available, should the provision of mortgage finance represent the full extent of the building societies' contribution?

Events of 1981 lent horrific credence to the arguments of those who have consistently claimed that poor housing standards in inner city areas help create the type of stress which leads to social disorder. In London alone, nearly 250,000 homes are classified as unfit and a similar number lack some basic amenity.

housebuilding. They have financial muscle, the right mix of management and professional skills, the branch networks necessary to assess needs on a local as well as national scale and are non-profit-making.

Mr Thornton, whose own society, through its own housing association, is already providing homes for tenants and owners, says that close co-operation between building societies and local authorities could make major inroads into tackling urban housing problems.

### Construction

MICHAEL CASSELL

increasingly clear that those traditionally vested with the responsibility of putting things right are fighting a losing battle.

What then should other financial institutions be expected to do about it? The building societies find themselves in a strange position; their efforts to spread the concept of home ownership have been an unqualified success and their own growth has represented one of the success stories of the 20th century and yet they have reacted rather than helped shape the course of events in housing ever since they ceased to be directly involved in the business of building more than 100 years ago.

Though his views are not readily accepted by every building society executive in the land, Mr Clive Thornton of the Abbey National, makes a strong case for the societies' re-entry into the housing market via the provision of accommodation for sale and rent.

"There are sound reasons why building societies should involve themselves directly in

Societies, he points out, have access to development finance at a rate lower than builders would normally pay and they do not require a margin for the developer's profit and professional fees which are normally added to house prices.

"While the housing association concept is by no means the perfect vehicle, what I should dearly like to see is the top 30 societies combining with us in an immediate action programme to build houses in the quantity and of the quality needed in inner urban areas."

"It has already been shown that we can do it more quickly and at less cost than the public sector, and without the developer's profit normally added on to private work. We need to put the real meaning of building back into building societies."

Mr Thornton's remarks spell out the abandonment of many of the traditional guidelines to which the building societies have hitherto adhered over the years and for that reason alone the task of winning over hearts and minds will be a major one. A matter of greatest demand from a traditional mortgage customer could well push back the conversion process to square one and it must be said that not all societies have the management expertise of which Mr Thornton speaks.

"Some clearly do and these should be encouraged to give more consideration to the housing market, which is moving towards a more 'rental' way towards housing. In a recession, still

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Table of distinctive numbers of notes drawn, organized in columns and rows, starting with 20 and ending with 8247.

Main table of distinctive numbers of notes drawn, organized in columns and rows, starting with 8255 and ending with 12866.

Main table of distinctive numbers of notes drawn, organized in columns and rows, starting with 12884 and ending with 26536.

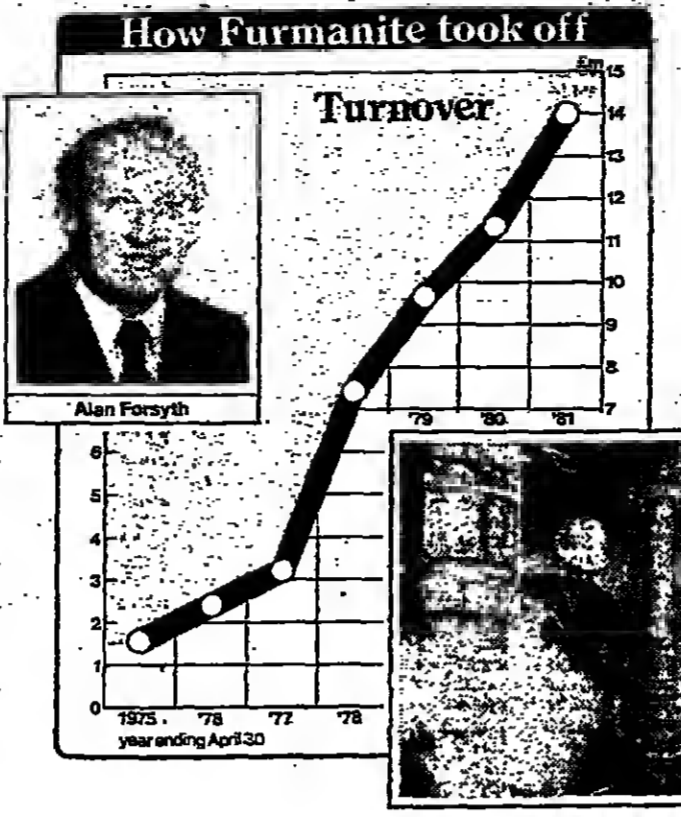
CONTINUED ON FACING PAGE

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

# The steam goes out of energy losses

Furmanite's rapid growth can be traced to a decision to back its leak sealants with a service to industry. Rhys David reports



The world and has the capacity to undertake other work as well. Since the mid 1970s the company has also been able to use its own engineering resources to machine parts such as valves on the spot in major process installations both in the UK and U.S. This is an activity which needs to be done when plant is shut down for maintenance and which therefore complements the leak-sealing process usually carried out under pressure. It is a service of the kind too which the company would like to be able to add to its basic business as it grows in other countries.

### Long search

Apart from being able to offer help with diversification the Bibby connection will give Furmanite security at a time when competition in its basic business is intensifying. The main rival in the U.S. is Leak Repair but other smaller concerns have moved into the field, attracted by the prospects of rapid growth in energy-saving services. In the UK, Sibex of Barry, South Wales, is Furmanite's main rival. It has now linked with Turner and Newall, which through another subsidiary Flexitallic — also founded originally in the U.S. — is one of the big names worldwide in industrial gaskets. Bibby is hoping for parallel benefits from the deal. Geoffrey Thompson, managing director of Bibby's industrial operations, points out that the group decided some time ago that it

IN THE energy conserving era that has been ushered in by successive oil price rises, letting off steam is no longer — for industry at any rate — quite the harmless source of relief it used to be. Steam lost in process industries through leaking valves and joints costs money, to be counted in extra deliveries of fuel, and the difference perhaps between profit and hence survival and loss. Conversely, however, it also amounts to revenue for those companies that can solve the problem of escaping steam or other liquids or gases — a service industry which in the 1970s has very rapidly been transformed from marginal to vital significance.

Such at any rate is the thinking of J. Bibby and Sons which has been looking for ways to expand its industrial activities and which swooped recently to pick up for £3.4m an 85 per cent share in Furmanite, a small private British company. From an unlikely base at Kendal in the Lake District Furmanite has become the big international name in the esoteric world of leak sealing.

In a deal which could prove to be one of its shrewdest in 1981, Liverpool-based Bibby — long able to watch Furmanite's growth from his local Henry Gooke paper mill at Milnthorpe near Kendal — has acquired a business which made pre-tax profits of £9.9m in 1980-81 on a turnover of £14m. Perhaps even more important for Bibby is that Furmanite is well entrenched in the U.S., a market which last year contributed two thirds of its profits.

The company, which employs 500 people around the world, has been adding to its leak sealing base a range of related services to industry. It has grown to its present size from near-morbidity only 15 years ago when turnover from the sale of its sealing kits wasumping along at a modest £48,000 and employees numbered only three.

At that time the present managing director, Alan Forsyth, who had family connections with the owners of the business, took time off from his then job in industry to give help and advice. His analysis — and the basis of the company's development since — was that it

should move from merely supplying compounds which customers in the process industries applied themselves, and become a service organisation as well. Forsyth joined the company full time in April 1967 and began recruiting and training technicians to specialise in applying Furmanite's compounds to leaks. Previously, as Forsyth points out, Furmanite's compounds were being applied by customers' own maintenance staff. But as this was only when the occasion demanded, such staff were unlikely to be able to build up expertise. Consequently, the effectiveness of products was sometimes undermined.

As well as extending its range of services Furmanite has also kept pace with the growth of the international oil, petrochemical and other process industries with the establishment of joint or wholly-owned subsidiaries in 17 countries. Starting with the Netherlands, Furmanite has now extended its operations as far afield as Japan, India, Mexico and Venezuela. It also has a licensing agreement with Czechoslovakia, from where technicians regularly come to learn the company's process in its Koodal training school. A similar agreement with China is now one of Forsyth's ambitions.

Funding for all these developments has come mainly from bank borrowings: the industrial and Commercial Finance Corporation has also provided limited loan finance. The company's expansion in the U.S. over the past two years has had to be financed, however, through local borrowings and this has left the group as a whole highly geared in relation to its relatively narrow asset base — a problem which the link with Bibby will overcome. Though the company could have continued to grow independently it might not have been able to proceed as rapidly as it would have liked with its ambitious development programme, and in particular its planned diversification away from its basic emergency service to industry.

In the UK where it has three machine shops (in Kendal, Carlisle, and Derby) and in the U.S. where it has two (in Denver and Houston) the group produces engineering components for use by Furmanite companies around

# Human error: the major factor in North Sea accidents

"ON LOCATION at Thistle. The boat heaves a lot. There are conger eels all over... Poor topside management. Guys here are nuts (ungood nuts) and dear God I want out. I have really got to scare up another job after this one... I'm no longer impressed... Too many Brits/political hassles. It just leaves my stomach twitching. Oh, God, please help me to exercise my talent and will to pull out of it. I don't even know if I'm gonna get out of here alive. I never know."

This entry in the diary of a North Sea diver haunts the UK offshore oil industry. It was written by Richard Walker in August 1979 on the day that he and a colleague — Victor Guieu — made a fatal dive in the Thistle Field.

Their deaths, in an accident at a depth of 490 feet, are recorded anonymously in the accident statistics published each year in the Energy Department's report, "Development of the Oil and Gas Resources of the United Kingdom." The figures show that three divers lost their lives in 1979, quite apart from the seven other offshore workers who died in construction, drilling and helicopter accidents.

Provisional Government estimates indicate there were fewer deaths last year although the number of serious accidents could turn out to be at a record high level. In the first eight months of last year there were 50 serious accidents, five more than in the whole of 1980 and only seven less than the previous worst year of 1976.

The picture could have been blacker. On November 24 drilling rigs and platforms were battered by one of the fiercest storms experienced by North Sea operators. A floating production platform was dragged from its moorings in the Argyll field and sent drifting in winds gusting more than 100 miles an hour.

Not far away, in the Norwegian sector, a large safety support vessel was in danger of being blown into the Tor Field's production facilities. But for the prompt action by the vessels' operators and swift rescue work by helicopter companies there could have been a catastrophe.

But the view that North Sea oil operations are uniquely hazardous — a picture drawn by the oil industry, accepted by Governments and fastened by journalists — has been challenged in a recently published book, appropriately titled "The Other Price of Britain's Oil."

The author, Kit Carson, a senior lecturer in Edinburgh University's Faculty of Law, argues that not only is the view erroneous but it may also contribute to the offshore industry's record of being one of the most dangerous workplaces in the UK. Carson says that diving is the most hazardous activity on the UK Continental Shelf — and possibly the most dangerous occupation in Britain. And yet, he says, in diving, as in other dangerous offshore occupations, mundane design faults, human error and unsafe working procedures seem to play a significant role in accidents, as the "exigencies of high technology, adverse operating conditions and limited human physiology."

On the evidence adduced by this research, the real problems of safety in the North Sea are often the same as those encountered onshore, and should be treated accordingly, he writes. "It is all too easy for those caught up at any level in a particular industry (or for those charged with its regulation) to become mesmerised by its unique features and reconciled to its reputedly special risks."

Carson asserts that while advanced technology and adverse operating conditions cannot be denied, the source of the greatest danger in the North Sea is not to be traced to the "unknown or the untamed." He points to the Alexander Kieland disaster. The chain of precipitating factors was "depressingly familiar." It was possible to detect weld failures or cracks before the installation phase, he writes. "Similarly, failure to allow for the loss of crucial buoyancy columns must surely strike even the layman as analogous to designing an aircraft without considering the implications of the failure of one of the engines."

Human error was to blame for many North Sea accidents.

Carson says that, so far, out of 64 fatal serious or dangerous accidents which fell inside the UK, Energy Department's purview and upon which comment had been made, some 42 per cent or 64 per cent were laid wholly or in part at the door of human error.

Carson is critical of government attitudes to North Sea safety. The preoccupation with a speedy development of offshore oil and gas production pushed the legislative response to safety matters very much into second place. It also spawned a "regulatory regime which became as special as it was inappropriate," he says.

Carson says that it was in-adequate to rely only on the courts to develop a society which would finally put the price of men's lives above the price of oil.

In contrast to divorce, as far as possible, the economic aspects from safety considerations, Carson suggests that the Government should transfer safety policy responsibilities from the Department of Energy to the Health and Safety Commission and the Health and Safety Executive, both of which reside in the Department of Employment. "There was also an urgent need for an extension of the Health and Safety at Work Acts provisions which would allow greater influence by safety representatives and safety committees offshore.

"Companies," he says, "should pay greater attention to safety matters. I have been struck by the extraordinary negligence which can be drawn from the history of something as up-to-date as North Sea safety and that of the earliest attempts to inspect statutory controls upon the operations of the early 19th-century mills of the industrial revolution. In that era, as in the present, there were innumerable laws of capital which rendered it imperative that regulations should be minimised. Then, as now, it was constantly unremembered that capital would be subjected to any mere constraints."

Ray Daffer

## TECHNOLOGY

EDITED BY ALAN CAENE

# Can-makers to spend £5m on re-usable scrap schemes

BY ELAINE WILLIAMS

AN EEC draft directive, which calls for increased recycling of all types of food and drink containers, has jolted Britain's can making industry into counting £5m between now and 1985 on expanding voluntary schemes to turn old metal into reusable scrap.

Mr. John Thomson, managing director of Material Recovery, a company set up by Metal Box, British Steel and Vulcan, a specialist tin recycler, says: "The industry would rather undertake recycling voluntarily, and spend money now, than be forced to conform to an unsatisfactory law."

Every year, Britons buy 9bn food and drink cans most of which end up on council rubbish tips. This means, that out of a total of 1.1bn tonnes of tinplate used each year more than 850,000 tonnes are thrown away. Tin costs about 28,000 a tonne, but each can contains only 0.5 per cent of the metal. Can makers would like to recover and recycle an additional 400,000 tonnes of cans and convert it into prime steel and pure inert tins for further tinplate manufacture.

Public participation schemes operate to encourage the return of cans to council run skips, and work on the same basis as

the glass industry's "bottle bank" scheme. But the makers believe that the best way of retrieval is by "mining" cans from waste after collection by local authorities.

**Pilot plants**

Material Recovery has recently completed construction of the first major plant to extract cans from domestic waste at a year would benefit from a plant like Stalybridge.

Mr Thomson says that only the bigger local authorities which handle more than 100,000 tonnes of domestic waste a year would benefit from a plant like Stalybridge. Stalybridge is a joint venture with Greater Manchester Council. It can process between 400 and 700 tonnes of refuse per day, and recover about 4,000 tonnes of metal for recycling at Vulcan's de-tinning plant in Hartlepool.

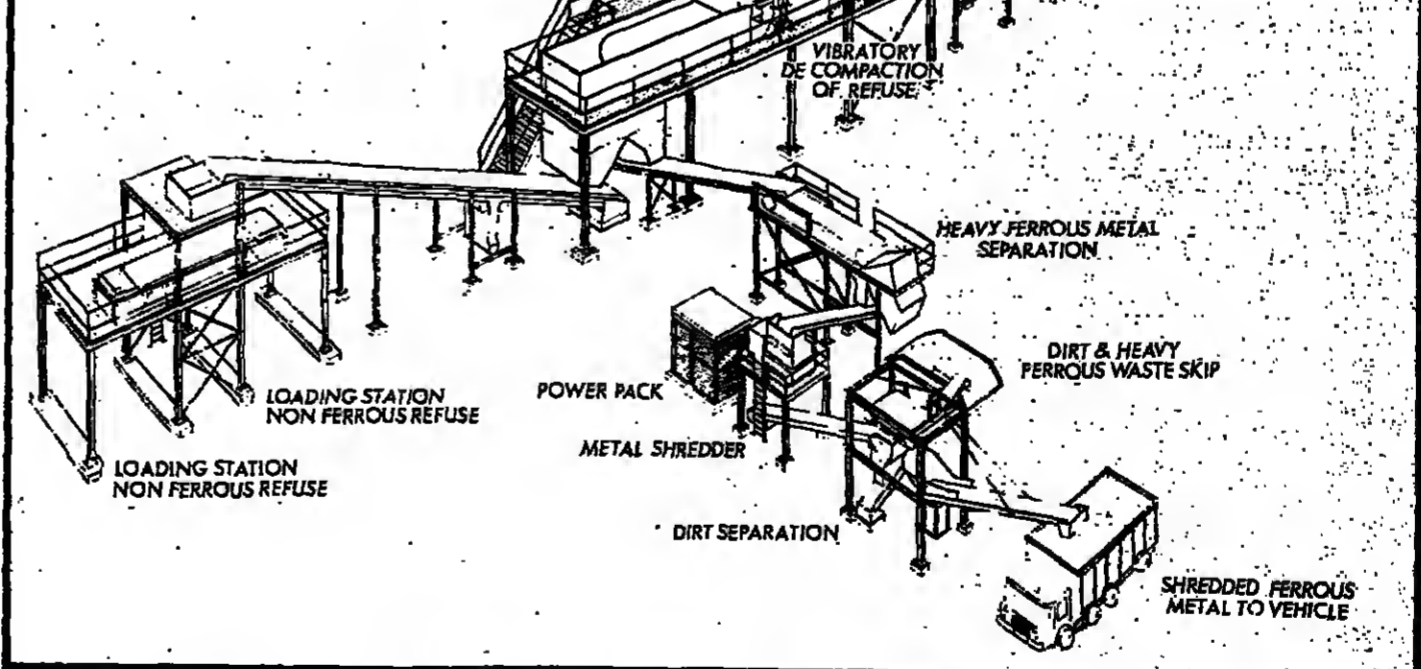
The process is based on magnets, shredders and high speed conveyors. The first conveyor flings the waste at a rotating magnetic drum, which separates the light ferrous

materials from heavier objects. Another separator refines the waste further while remaining cans are shredded into strips and sent to the de-tinning plant. There it is leached out of the steel using a caustic solution. Recovery is achieved by electrolysis.

Mr Thomson says that the main difficulty is cleaning cans mixed with old newspapers, plastics and rotting vegetables. The company has tried some sophisticated techniques including a cryogenic method developed by British Steel.

Because metals become brittle at low temperatures it was hoped to flake the tin layer away from the steel after dipping in liquid nitrogen but the cost — in an already marginally economic process — ruled this out. Instead, Material Recovery settled on a water washing technique adapted from the coal industry. Mr Thomson says: "We are not offering councils high technology, but the know how to make it work." He realises that a £500,000 plant is beyond the pockets of most local authorities. So, the company has offered councils the option of joint ventures to reduce the cost.

But the company is having



The Material Recovery plant line installed at Stalybridge near Manchester

a hard time persuading councils to join them. Manchester was the first to build a full-scale plant and talks are going on with larger authorities, such as the Greater London Council. The process does not provide

a satisfactory solution for the 1.3bn tin aluminium and the 1.7bn aluminium ended cans used for drinks each year. Ideally, these need to be sorted before they get to the rubbish dump.

This is why the industry's five major UK can makers have decided to commit a further £2m on top of the £5m already spent by Material Recovery, on collection schemes. "We realised that we would have to subsidise these schemes, because it is not it themselves," Mr Thomson says. "We do not yet know whether it will ever be profitable."

## Do-I to share costs on satellite equipment

THE DEPARTMENT of Industry is to share costs with DCC of Dunstable for the development of two kinds of equipment needed at ground stations for communications with satellites. DCC is the UK subsidiary of

Digital Communication Corporation in the U.S. One of the systems is called TDMA. It can process multiple access — and it permits several earth terminals to access a satellite on a time sharing basis. The other, called DSJ (digital speech interpolation) roughly

doubles the capacity of a communications link by transmitting only twice active traffic; the technique is more efficient and the transmission costs are lowered. To position itself for the interim Eutelsat stage, for which European administrations will

be inviting equipment tenders over the next four years, the U.S. corporation set up the UK subsidiary in mid-1980. Development work at the Dunstable location aims to produce a first prototype by the middle of this year, followed by full manufacturing in 1982.

## Film sizes

TWO PRODUCTS put on the market by Mitek of Yeovil Road, Slough (Slough 76411) allow collections of different sizes of microfilm records to be reduced to one standard size while original documents of any size from A0 to A4 can also be filmed to the same standard.

The SVK conversion camera supplied by the company and made in West Germany allows films ranging from half-plate to microfiche to be re-filmed to a chosen standard size — 16 mm film, 35 mm film or microfiche. Colour transparencies can be dealt with similarly.

The second camera, designated UKM, can film documents up to 60 x 40 mm to a standard size using reductions up to 70 times. The fiche and roll film heads of this camera are interchangeable with the SVK machine.

## Capturing waveforms by four-input device

MICROPROCESSOR-BASED, a four input device from SE Labs (EMI) allows extremely fast transient waveforms to be captured and displayed on a screen.

Known as the SE2450, the device has 16k of memory per channel for storing the phase, amplitude, which in engineering and physics can range from explosive or optical (for example, laser) events to fast pulses from electronic circuits. Use of a microprocessor provides a number of useful facilities. For example, up to six sets of front panel settings of controls can be stored in a non-volatile memory, for recall when needed to suit a particular

recording. The four traces are displayed on a five-inch CRT, allowing the complete contents of each channel store to be seen. Alternatively, the user can select a portion of the wave form for expansion in time or amplitude. On screen measurements can be calculated and displayed using a cursor which allows individual memory locations (that is, points on the waveform) to be identified. The four waveforms can be added or subtracted and otherwise manipulated. Other versions will have a less memory per channel than be supplied.

## Attache case for furnace experts

LIKELY TO interest the boiler/furnace commissioning service engineer is an attache case sized equipment from Neotronics that will provide a continuous "real time" display of stack oxygen content, carbon monoxide, stack gas differential temperature and combustion efficiency (which it automatic-

ally calculates and displays). Called PCO (portable combustion optimiser), the unit can be connected by up to 20 metres of cable to the stack probe, enabling the engineer to adjust burner controls while monitoring changes in stack gas condition. To allow quick burner control

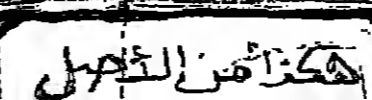
adjustment for optimum fuel/air ratio, setting, the PCO displays oxygen and carbon monoxide at the same time. The instrument should also prove a useful diagnostic aid for system malfunctions, enabling action to be taken before major damage or excessive fuel losses occur.

## Intergraph pictures in 3D

THE LATEST computer-aided design/manufacturing (CAD/CAM) system from Intergraph Europe (0753 47033), the model 2302, employs up to four graphics workstations each with two screens.

One of the screens offers three dimensional pictures while the other provides separate two-dimensional interpretations. The screens have a resolution of 1280 x 1024 pixels and a refresh rate of 60 times a second, allowing good dynamic presentation. Model 2302 employs a DEC LSI 11/33 computer, enhanced by the company's own multi-ware hardware sub-systems to distribute the processing. This maintains a high response level at the workstation while the central processor carries on the high speed processing associated with graphics design calculations.

This system comes complete with the company's own master software station, one contractor design and draughting, the other offering database management, report generation and automatic analysis and reporting. The two packages are closely linked to specific user application programs such as stress analysis.



THE ARTS



# Cinema

## The Bogey man embalmed

by NIGEL ANDREWS

Body Heat (K) Warner West End  
The Woman Next Door (AA) Curzon  
Fort Apache the Bronx (AA) Odéon Legation

Is there a danger in film-buffery? Lawrence Sanders, writer-director of Body Heat, and before that writer of those howls to buy a ticket and then, Riders of the Lost Ark and The Empire Strikes Back, was clearly brought up on Hollywood boka since he was knee-high to a popcorn stand. His vision is rectangular, he sees the "in" tracking-shots and close-ups and juicy camera-shots.

Body Heat is riddled with just-fresh-pain disease, purple cinephilia, a rare charismatic strain of film noir fever. Shadows slant across the screen in Venetian-blind stripes, smoke and mist lend sultry mystery, jazzy saxophones burble on the soundtrack and the camera lingers in sinuous diagonals or cranes slowly, portentously up or down like an omniscient yo-yo.

Where are the human beings in all of this? Inquire you may. Even in the heyday of film noir—when Robert Siodmak and Fred MacMurray traded scenic wisecracks in Double Indemnity or Gary Cooper and Veronica Lake in The Sign of the Cross—there were solid characters.

Body Heat is set in a present-day Florida of the rich, the not-so-rich and the very-very-rich. But as shot by Kasdan and photographed by Richard Kluge, it might be 1940s Los Angeles, courtesy of Raymond Chandler. Casting, faces, whiff, shadows, frayed tails as handsome, girly, lawyer, Ned, Racine (William Hurt) is lured into an amorous spider-web by evildoer and sexy Matty Walker (Kathleen Turner), a rich man's wife. Hedonism is the look-out for a designer. Hedonism is the look-out for a designer. Hedonism is the look-out for a designer.

It is an out-of-town Gothic Xanadu fanned by palms and lit, it seems, by Josef von Sternberg, fused together by the miasma of sexy mystery and the call of a Plot.

"Some men, once they get a whiff of you they trail you like a hound," she oozes in her smoky breath. And then after a sultry bout of hard-to-getmanship—she locks him out, he smashes a window to get back in—they're panting on the floor in glorious Technicolor and keel-over Panavision.

Thereafter, Body Heat highlights into the grand old 1940s delirium of adultery, murder and ever-sizier tensions. Twist follows twist—a spouse (Richard Gere) murdered by the lovers who has a posthumous revenge blackball and exposure threatens to "hurt" (did she originate them?), a climactic boomerang of mistaken identity — and the paranoid couple, starting at everything as the plot sinisterly backfires, finally start to mistrust even each other.

Few handsomer movies hold present-day screen sway. But high-class looks are bought at a mighty high cost. Body Heat is a chef d'oeuvre of the embalmer's art; it's made on the principle that there are few things easier to beauty-without-demean than a subject that lies stone-still and inert, for the simple reason that it's dead. The film, noir cargo of avulsa crime, anxiety-by-night and wealth-hungry dreams had meaning in the 1940s because it was a product of post-Depression, was characterised by American joy as the heavy-limbed sassiness of that time was a quest of the Hay's Code era of thou-shalt-not-say-what-thou-meant.

But in the 1980s these once grand and vibrant tropes are laid landed whales, thrashing around on terra relatively firma and gasping for a gill-ful of the old egalitarian viscosity.

Hurt and Turner do their best in the lead roles; he with a cloaked, moody strength, she with a smoky, steamy ripeness, and in this way they are modern-day Florida, however dream-starved, really throw career and caution to the winds to catch a wisp Rita Hayworth re-embodiment who speaks in a constant stream of double entendres baroque? Sex is no longer a black-market commodity in the 1980s, as it was when censors ruled our culture, but Body Heat comes on

like Wicked of Winnipeg bursting with notions of the surrey-Naughty and with wet-dreams of the unattainable. What it is really going gaga about, of course, is love, of old movies. Perhaps if the hero had sold his soul for a last surviving 35 mm copy of The Big Sleep, we might have belief in him and Kasdan might have made us believe in the film's empurpled monomania.

Francis Truffaut's new film The Woman Next Door suffers from the reverse affliction: a platoon of human beings moyn croagables but no braveries of style or visual baroque to costume them in. The waves of the French nouvelle vague are looking wan and dusky these years. Truffaut, once the third eye of New Wave's trident with Godard and Chabrou, has taken to forking-forth soap operas ever more frothy and forlorn.

In the new film the lathery interrogatives rain down ceaselessly. How will Gerard Depardieu, tucked away in green-belt Grenoble with wife and child, greet the oews that the wife of the couple moving in next-door is none other than his old flame Mathilde (Fanny Ardant)? Will Mathilde set out to re-stoke past passions? If she does, will her stuffy husband (Henri Garcin) smell an rat? What advice will crippled but all-wise Madame Jooe, who runs the local tennis club and broke her leg in a loveless suicide leap decades before, give the couple as they teteer on the brink of adultery? And how will pretty and slow-to-wig Marie Depardieu (Michelle Beaumgardner) react when she finds out?

Confused? You will be; and confused also, as questioning-marks hammer down on quessing your powers of assimilation. Truffaut peers down some potentially fascinating backwaters of human emotion: the youthful amour jeu which grins coincidence suddenly reawakens in marital mid-life, the collapse of peithourgeois provincial protocol as passion is womasked. But he's lost the ability to give these themes climactic life or a driving, organic force.



William Hurt and Kathleen Turner in Body Heat

stream in him as he defies admission of a resurgent love. Ardan has a wide-mouthed Latin smoulder beneath sharp-seeping French eyes which neatly notates her personality contradictions, and Depardieu bestirs the screen with his ransy, reserve inventive animalism. But two thoroughbred thespians in harness cannot alone a good movie make. Truffaut, ever finds the cinematic electricity to boost the film from the low-power what-ness of soap-opera to the higher voltage of tragedy or melodrama, or even of a Flaubertian sentimental education. It's all much ado about too little: néence for a wet afternoon.

At the Press show of Fort Apache—the Bronx, a mouse made frequent appearances on the raised apron in front of the screen. Nose in the air and

whiskers ribrant, it scurried forth to study Paul Newman's performance as grey-haired, happy-go-sceptical Patrolman Murphy, fighting crime in the busy squalorous purlieus of New York's South Bronx, and Edward Asner's gruff-eyed-browed furlough from Lou Grant to play Newman's riot-book-reading police boss.

Undoubtedly symbolic in its intentions, the rodent was probably giving its impression of a rat inspecting the sinking-ship progress of Rank Film Productions. For Fort Apache is among the last projects Rank helped to initiate, and if the ship is going to go down with this fair-tively U.S. cops-and-robbers romp at least it will do so with a few colours flying. Take with a pinch of salt the de ja vu moralism of the central antagonism—Newman as the spunky,

improvising realist against Asner the rule-book martinet—and take with ditto the lefty helpings of plot coincidence purveyed to twitch the story along. What you are happily left with is a seething thriller of crescendoing chaos to New York's allegedly gristliest police precinct.

Newman rooks and acts better than in years. That cheery, look-no-pretensions self-deprecation — he's one of the few actors who can draw with his voice and twinkle with his eyes at the same time—is all loose, alert reactivity. Murphy is one of those police folk-heroes — over promoted, always a valiant dissident—who probably don't exist except in Hollywood libel movies. But Newman brings him alive and magnificently mortal for at least two hours' busy traffic of the film.

### Book Review

## From Marlowe to Irving

The Golden Age of English Drama  
by S. Gorley Pott, D. S. Brewer (Cambridge), £15.00, 231 pages.  
Theatre in the Age of Irving  
by George Rowell, Basil Blackwell, £12.00, 189 pages

These two books cover the theatre under two queens—three if you count James I's reign, for Mr Gorley Pott's golden age runs from the Elizabethan 1570s, when the playhouses began to burgeon, to the late Jacobean, indeed early Caroline, work of Massinger. It is a very worthwhile survey of the period that skims the cream off and the current work (though without including Shakespeare, already investigated enough), yet is never superficial. The playwrights dealt with begin with the "university

with," with extra emphasis on Marlowe; then Jonson, Heywood, Marston, Chapman, Middleton, Tourneur, Webster, Ford, Beaumont and Fletcher, and Massinger. Their chief works are examined in detail from a standpoint where the plots are kept firmly in their own time, with no suggestion that they could be updated, and yet the characters are credited with the reactions that people of our own day might feel if they were involved in those plots. It brings the plays vividly to life. I won't say it makes me long to see them performed, but in general I'd rather see a student Working Paper than a *Student Hamlet* or *Romeo and Juliet*. George Rowell is an acknowledged expert on the Victorian theatre, and in this new addition to the Drama and Theatre Series he deals knowledgeably, and readily, with the stage in the last 30 years of last century. Irving's career fills the first chapters—but little about his chief authors, for they were mostly so forgettable. The other actor-managers, Bancroft, Wyndham, Hare, Alexander and so on, may have relied too much on comedies "from the French," but at least under their aegis notable work was done, by Tom Robertson, W. S. Gilbert, Pinero, Grundy, Jones and others.

Besides the serious or not-so-serious drama, there was the music-hall, and there was the emergence of the musical comedy. There was a Victorian Pringle, too—Shaw and Ibsen among the writers, Paul Craig and Granville Barker among the directors. Mr Rowell covers the scene thoroughly, with a pleasant seasoning of quotation and anecdote and some good contemporary pictures. B. A. YOUNG

# Warehouse

## Peter Brook

by MICHAEL COVENEY

On Wednesday night, Peter Brook walked into a flood of light in an empty space. After complaining, quietly, about the distance between himself and the audience he invited questions. Many questions were asked but the answer was one unburied speech about the modern theatre, his views and passions organised in an unbroken arc of articulate, unpretentious opinion.

Since his famous 1970 production for the RSC of *A Midsummer Night's Dream*, Brook has retreated from the British theatre (although he remains an RSC director) and worked with actors of all creeds and colours in an international institute in Paris. Their work is performed in a dilapidated vaudeville house, the Bouffes du Nord, this long term project punctuated by foreign tours. The whole object is one of continuous self-discovery, of wiping yesterday's slide clean and of investigating the popular roots of theatre.

At the end of his talk, Brook was asked to define the difference between an actor and a performer. He said that this was the fundamental question: a performer, such as Piaf or Judy Garland, is one whose personality flows under the spotlight of audience attention; an actor is one who seeks his personality in a deed of self-transformation. The most interesting tendency of contemporary acting was towards amalgamating these two functions.

Brook, looking more than ever like a charismatic garden gnome, falls, paradoxically, into the first category. He is one of Nature's spellbinders and nothing he says is without pith, mooroom or consideration. It is a fashionable pastime to knock the cult of the theatre and opera director. Brook himself knocked it, with a civilised infection, when he made German directors who tell their own story through actors and the arrangement of tableaux vivants. For someone whose reputation is as great as, in their day, those of Piscator, Reinhardt or Meyerhold, he is refreshingly untheatrical. He sees the role of the director as one of regenerating the rehearsal process when it founders on the rocks of actors' vanity, anxiety or sheer terror. But he carries off effortlessly the authority of a born leader, a gifted teacher, a frank maverick.

The informal lecture was part of the Warehouse Festival mounted to coincide with the departure of the RSC from the Covent Garden to the Barbican. Although honestly admitting that he had not seen all that much of British theatre over the past few years, Brook adamantly defended the growth of alternative venues, community arts, lunchtime theatres. These were the true growth areas, the necessary adjuncts to the establishment stages. Without them, there was no possibility of change in either the theatre or its audiences.

Brook's career is among the most astonishing in the modern theatre. He directed opera at Covent Garden after the last War, made his name at Stratford-upon-Avon with *Lose's Labour's Lost* in 1946 and *Measure for Measure* (with John Gielgud) four years later. He directed seven plays of Christopher Fry and T. S. Eliot in London in the mid 1950s ("that was in a previous life—but I have always valued working in so many different forms of theatre and I loathe the snobbery that dismisses such work without knowing about it").

There was *Irma La Douce* and Dürrenmatt's *The Visit* in 1960 and, in 1962, the remarkable Scofield King Lear, the tragedy seen as a Beckettian nightmare. The Theatre of Cruelty season in the mid 1960s culminated in *The Moon/Sade* (in my view his most extraordinary production), the provocative U.S. and a National Theatre *Oedipus* that tied the actors to Old Vic pillars and featured the largest phallus in the world playing opposite John Gielgud and Irene Worth.

The search for theatre since then has involved the rejection of what most people think of as theatre. In the stripped, eerie ambience of the Bouffes du Nord, the audience cringes on banquettes, as crucial an element in the performance (Brook would aver) as the peeling walls, the actor's art and the play itself. The theatre, in short, is a crucible of different elements with a common purpose: the phenomenon of theatre.

It would be easy and dangerous to ascribe to Brook's current austere celebratory mood a cynicism about the theatrical experience. No one who has seen his *Ubu* or his *The Cherry Orchard* in that bare Paris setting comes away feeling they could have had that experience anywhere but in a theatre. The new naturalism of the studio production — and Brook cites with enthusiasm Trevor Nunn's *Three Sisters* — have stripped away layers of dirt and artifice from many great plays, reminded us that, in the end, they are about nothing less than the wonder of human experience.

Brook has done everything in the theatre. He has played to audiences of children, prisoners and psychiatrists. He has fêted at festivals, he has designed sets, composed *musique concrète*. He has worked with the greatest actors of our day and many of his leading playwrights. "New writing" in itself no longer, if indeed it ever did, excites him. The quest is for the right conditions for the best performance.

He is open, funny, immensely erudite. And he works mainly in Paris. Our theatre no longer can accommodate him—his last RSC production, of *Antonio and Cleopatra*, was frankly dreadful. His recent *Carmen* in Paris, widely acclaimed for its naturalistic return to the chamber conditions of the Opéra Comique, is already a critical milestone. But there are no signs of Brook ever sitting still. That, above all, is why we treasure him. For his openness, integrity and swink, liog sense of fun.

### Company on tour

Company, a group of free-improvising musicians who will be touring England and Wales from January 24 to February 7 as part of the Arts Council's Contemporary Music Network, are giving a concert at the Round House, Chalk Farm Road NW1 on Sunday next January 24 at 7.30 pm.

The tour ends, nine concerts later, at the Strathallan Hotel, Birmingham, after visiting Darlington, York, Leeds, Leicester, Coventry, Southampton, Llantwit Major and Bristol.

Company was formed by guitarist Derek Bailey in 1976.

### Theatre Technis, N.W.1

# Medea

by ROSALIND CARNE

Euripides should not be trusted to take care of himself. He speaks through a haze of centuries in this particular play through the cringing misapprehensions of Philip Velasco's translation. Despite the current craze to latch on to the playwright's interest in women, and in the decline of civilisation, his works call for a director of vision, not simply curiosity. Relevance is not essential; a fringe version at the Oval House last year twisted the play in knots most successfully. But hesitant respect is disastrous, especially when the vagaries of interpretation are compounded by dabbling in masks and an occasional scrappy slide show.

The intention, in this production directed by George Eggleston, is to draw parallels with the plight of Greek Cypriot refugees. Jason is dressed as a British naval officer and recites his lines behind a facade of stony self-interest. Creon could well be a Home Office official despite the references to the royal family. Medea herself is unmistakably Greek, and her ultimate refuge in Athens implies, an unlikely trip across the Irish Sea, for Declan Mulholland as King Aegeus does nothing to disguise his native accent.

Even a moderately talented cast, foisted with this bunch of stereotypes, could have done just as well with careful ensemble work. (It is impossible not to think of Peter Hall's exciting experiment at the National Theatre.) But the long speeches here have precious little connection with the individuals who deliver them. Angelique Rockas as Medea expresses a degree of passion it is true; she even sheds convincing tears. Yet the passion never lifts us as it should, but for the few moments when she bugs the children she is about to kill. The mood then hovers between sentimentality and pathos, which makes the murder quite incomprehensible.

Theatre Technis is celebrating its 20th anniversary and its third year in the present building. The performance space is well-proportioned though ill-used on this occasion, and the seating is extremely comfortable. Its repertoire consists mainly of works of particular relevance to the Greek Cypriot community, in English and in Greek.

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### F.T. CROSSWORD PUZZLE No. 4,778

1 Every tenth month a lad returns (7)  
2 Bird to devour greedily (5)  
3 Cell involving third degree treatment we bear (7)  
4 Those of Peter were a tax (5)  
5 Six soldiers snif, because it's turning great? (9)  
6 Bird I left with untimely Hinkle (9)  
7 Alter for a change subsequently (5)  
8 Famous howler—in his bam-mock? (5)  
9 Fairy-bike, outside in the garden? (9)  
10 Pass the best manual cosmetic (4, 5)

Solution to Puzzle No. 4,777

W	A	G	E	O	R	O	W
R	E	T	A	I	L	L	I
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R	E	V	I	O	S	T	I
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**FINANCIAL TIMES**

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 Telephones: 01-2488000

Friday January 22 1982

**A cheerful dilemma**

**THE FACT** that the welcome—and officially encouraged—decline in interest rates has been accompanied by the Bank of England's first attempt to temper the City's new enthusiasm for mortgage finance is no accident. The monetary game is being played according to new rules in which the exchange market sets the tone for credit markets. In October, when U.S. interest rates and the dollar were near their peak, this presenters the authorities with the unpleasant choice between a rise in rates which might abort the economic recovery, or a fall in sterling which would further stimulate inflation. Exchange rate considerations won the day.

the subject of open wrangling. The money supply is moving back into its target range range uncomfortably fast, and Mr. Paul Volcker, who has established immense international prestige since 1979, is criticised in Congress and by senior members of the Administration.

**Assistance**

Now the dilemma is happily reversed. The strength of sterling in the currency markets makes it possible to converge again with U.S. rates—for it must be remembered that the steep fall in U.S. rates during November was only faintly echoed in the U.K. However, easier rates will certainly encourage some parts of domestic loan demand, already running at some £11n a month. Thoughts in Threadneedle Street readily turn in such circumstances to the head-informing which constitutes informal credit restraint.

One other influence may prove important. The abolition of exchange controls in late 1979 permitted a major portfolio adjustment by UK savings institutions. This in 1980 and the first three-quarters of 1981 put funds invested nearly a quarter of their cash flow overseas, while unit trusts—though much smaller in total weight—invested all their new funds abroad, and made a further switch of existing assets.

**Influence**

For all these reasons, the improved climate for credit markets may have come to stay for some time. This feeling is now so widespread that the markets can shrug off even their worries about possible renewed rise in U.S. rates. However, if these hopes are fulfilled, will a domestic explosion in credit demand generate a new cloud?

The influence of interest rates on credit demand is a much-debated subject. There is some evidence that weak commercial borrowers—like weak international borrowers—are actually forced to borrow more as rates rise. It cannot be taken for granted, then, that lower rates will increase total demand, though it is highly likely. Cheaper credit will, however, quite certainly increase demand for personal loans, now a major force for credit growth. The suspicion that home loans are being used to purchase tax relief rather than housing is a natural one, and the Bank of England has fired a warning shot. If we are to continue to enjoy the consequences of sterling revival, something stronger may be required.

In the U.S., by contrast, Administration policy is now

**Arms to Taiwan: a U.S. gesture**

WASHINGTON made the right decision last week over weaponry for Taiwan when it agreed, after months of wrangling between the pro-Taiwan lobby and the State Department, to provide further supplies of the F-16 aircraft instead of the more sophisticated F-5C or the advanced F-16B. This is quite enough for Taiwan's needs, the administration finally conceded.

Taiwan. Deng's political capital is also invested in peaceful reunification with Taiwan. The olive branch Peking offered to the island last October, which included most autonomy even in defence matters must be seen as his initiative. If the U.S. shores up Taiwan to the point where it need not even contemplate reunification, Deng would be seen in China to have failed to satisfy a profound popular aspiration.

**Decision**

The Chinese may still hope to get Washington finally to end sales by 1985, but Peking seems to have accepted the decision for now. The American refusal to sell advanced fighters should have the crucial effect of strengthening the position of China's pragmatic strong man Deng Xiaoping, on whom stability and progress in China mainly depend, and the Sino-U.S. relationship, both sides may now be able to build on it.

Through the question of future U.S. arms sales to Taiwan may continue to nag at relations between Peking and Washington, they should now be able to resume their former momentum. While China, as vice-premier Li Xianshan said recently, would resume border talks with the Soviet Union if it saw a chance of real movement, a true rapprochement with the Soviet Union is as unlikely as ever.

**Atmosphere**

The outstanding item on the Sino-U.S. agenda is now the visit to the U.S. of the Chinese deputy chief of staff, Lin Huaiqing. Indefinitely postponed last August. The Chinese, fearing the Reagan decision on Taiwan might go against them, did not want to risk the strategic relationship which would be implied if China became a customer for American arms. Whatever had happened, the Chinese would probably have continued dependent on the U.S. for commodities such as wheat and cotton, but now American technology sales may benefit.

Even in a better atmosphere, the Chinese are not likely to retrace their foreign policy steps of the past few months. Peking has increasingly turned to picking up its old role as leader in the Third World, playing an important part at the Cancun summit in October and blocking the re-election of Dr. Kurt Waldheim as UN secretary-general. It is in favour of a "Third World candidate" relationship with the U.S. which has escaped a nasty accident, but Peking has learned to hedge its bet.

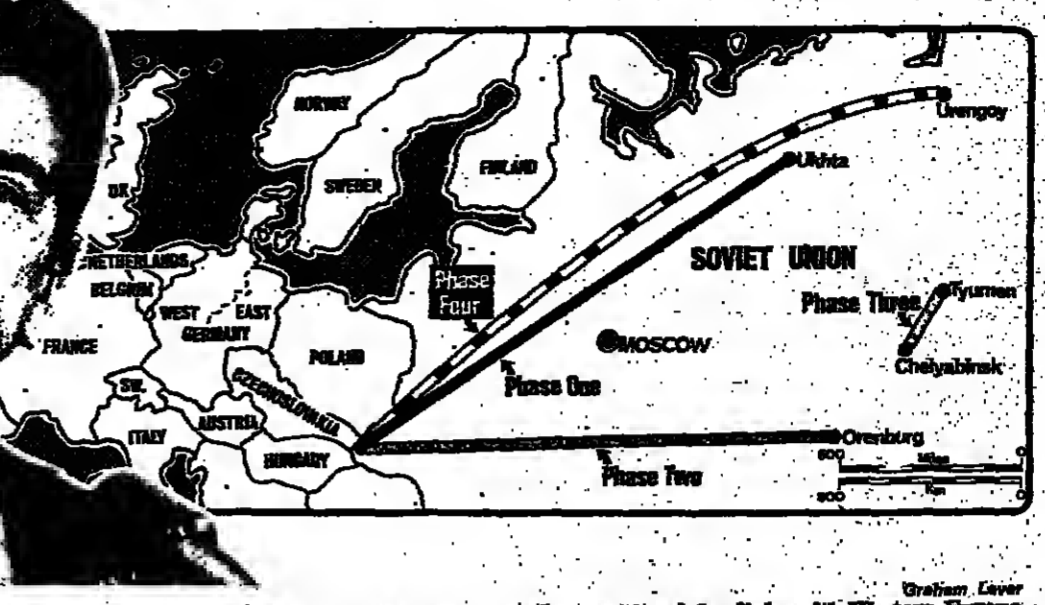
**U.S. PIPELINE SANCTIONS**

**Hard choices for Europe**

By Paul Cheseright, World Trade Editor



President Reagan takes a jaundiced view of the fourth phase of Soviet pipeline development involving links with Western Europe



**UNCERTAINTY** HAS smothered the jubilation of the European companies which won contracts for the supply of equipment to the 5,000 km Siberia-West Europe gas pipeline, one of the most ambitious East-West ventures ever planned.

This weekend members of Nato met in another attempt to find an agreed policy for trade sanctions on the Soviet Union following the military crackdown in Poland. Last month the U.S. imposed its own sanctions and, among other things, blocked the sale of oil and gas equipment vital for the pipeline's rapid completion.

The meeting may resolve some of the uncertainty. It may make it possible for western governments to give advice to their companies on whether to go ahead. The failure of the alliance to agree on what it wants has meant that the companies have continued to work in the dark, anxious above all to meet the terms of the contracts signed with the Soviet Union.

This gulf between the politicians and the companies is part of the reason why the Soviet Union has, so far, been able to shrug off the U.S. sanctions even though, as the State Department in Washington says, they will make the pipeline "somehow more difficult to complete."

But amid this profusion of contracts—some directly with Machinimport, some between suppliers and both Machinimport and the management contractors and others just between suppliers and the management contractors—companies have also begun discreetly to calculate the cost of non-fulfilment.

**What the Americans won't give us, others—the Japanese or the Italians—can supply,"** Mr Oleg Maximovich Ivanov, Mr Soviet Minister of Construction for the Oil and Gas Industry, told an Italian newspaper earlier this month.

The mist of indecision—a collective European failure to know what to do or how to do it—works in favour of the Soviet Union and thrusts the immediate responsibility for action on the pipeline back to the companies. This, in turn, leaves the Soviet Union with its head safely beneath the parapet and armed with signed contracts demanding specific performance.

Over the past few days there has been a series of contacts between companies linked with Mannesmann and Creusot Loire, the German and French groups making up the consortium which has the management contract for the northern part of the pipeline, and with Nuovo Pignone, the Italian group with the management contract for the southern part.

One executive engaged in discussions over delivery schedules said that there was general agreement to press ahead as far as possible. Some manufacturers have already hastened to assure the Soviet authorities that delivery schedules will be met.

The western alliance, as a result, has only been able to agree on a broad declaration that they will not undermine U.S. sanctions. But there is no sign of any agreed definition of "undermine." Without this a common position on the pipeline is impossible.

But amid this profusion of contracts—some directly with Machinimport, some between suppliers and both Machinimport and the management contractors and others just between suppliers and the management contractors—companies have also begun discreetly to calculate the cost of non-fulfilment.

the gas along the next. At each station there is a compressor whose driving force is gas turbine engines. These turbines are being supplied by John Brown of Edinburgh, AEG-Kanis of West Germany and Nuovo Pignone.

This would mean forfeiture of the performance bond and leave companies with half-finished stocks with half-certainly to finance. Thus many of the suppliers are more concerned to have the political uncertainty resolved, so that they can settle sales strategy and decide the level of commitment to sub-contractors, than to re-read the force majeure clauses in their contracts.

Each of these companies is a manufacturing associate of General Electric of the U.S., meaning that while they have a licence to manufacture the turbines, they have to import from GE in the U.S. the moving parts of the turbine.

At the time of contract signing, the Soviet Union would probably make a 5 per cent down payment, followed by another progress payment of 10 per cent at the time of first shipment. In return suppliers would have to post a bank-guaranteed performance bond of around 5 per cent, which could be called in if performance failed.

Financial exposure starts at the time of down payment, but one supplier noted that contracts allow for the change of status in export licences and they specify that the supplier needs the licence to gain the down payment.

On this basis a supplier supplier would not necessarily be in default for failing to deliver because of changes in

U.S. export regulations. However, default on deliveries over a certain period would open to the Soviet authorities the option of cancelling the contract.



**THE TURBINE CONTRACTS**

**NORTHERN PART OF THE LINE**

Header station	Total turbines	Type	Manufacturer of turbines
14 stations	42	GE Frame III	AEG-Kanis
7 stations	21	GE Frame V	AEG-Kanis
		GE Frame V	John Brown

**SOUTHERN PART OF THE LINE**

Header station	Total turbines	Type	Manufacturer of turbines
19 compressor stations	57	GE Frame V	Novuo Pignone

**JOHN BROWN WORKS ON**

Contacts with the Government and other contractors on the pipeline began immediately to assess the impact of the U.S. moves and the longer term risk to the deal.

John Brown was confident initially that it could continue, despite the threat to its supply of rotor blades from General Electric.

The first turbines of the remaining 15 outstanding are not due for delivery under the contract until February, 1982, long enough, the company hopes, for the sanctions to have been lifted again.

Mark Meredith

The day the Soviet Union approaches another turbine manufacturer, it will be apparent that Moscow believes that U.S. sanctions are hitting seriously. The sanction policy does not prevent the pipeline from being built, the State Department acknowledged. "But it could have a complicating effect."

Additional reporting by James Brown, Terry Dedmon, Keith Doon, Mark Meredith and Derek White.

**Men & Matters**

**Express baron**

There would appear to be a fundamental difference of opinion between the late Oscar Wilde and the modern top of the Trafalgar House group. Wilde's views on the relative merits of being talked about and not being talked about are well enough known. But over an Express newspaper and magazine, they are seen on a quiet life that they are even prepared to de-merge a fair chunk of the empire in order to achieve it.

**Mandarin peals**

With only 39 shopping days left to March 9, however, the Budget preliminaries are already keeping some lights burning late at the Treasury.

The traindrivers' strikes. I am assured, are not being allowed to disrupt the annual rites. Those who cannot get home at night are being provided with folding beds in their offices.

**Shell shocked**

A heartfelt sigh of relief from Lambeth at the passing of yet another shock-horror danger—the loss of the London borough's biggest employer and second-largest ratepayer, Shell.

When Shell moved from its multitudinous City offices into the Shell Centre on the Lambeth bank of the Thames in 1982, it was the largest office block in the UK. Some 4,600 people now work there.

**Paper weight**

The Treasury clearly does not spend all its time poring over macro-economic issues. Mandarins, in their methodical way,



President Brezhnev has agreed to appear if he can sing "I did it my way."

**Cheap security costs more than good security**

OK? You employ a security guard for a reasonable rate. But the day you meet your end you find a cheap security guard who has no idea of what he is doing.

We'll tell you anyway.

A Group 4 security guard costs more because it takes time and money to find him in the first place. Our vetting procedures are so rigorous, only 3% of applicants are accepted.

After undergoing the most efficient vetting programme in Europe, he never goes back to the street security risk.

Is your security guard as well trained as our efficient team?

And that's what you need for peace of mind. They're the best trained in the world. The only guard you can be sure will protect your property.

**group4**

Observer

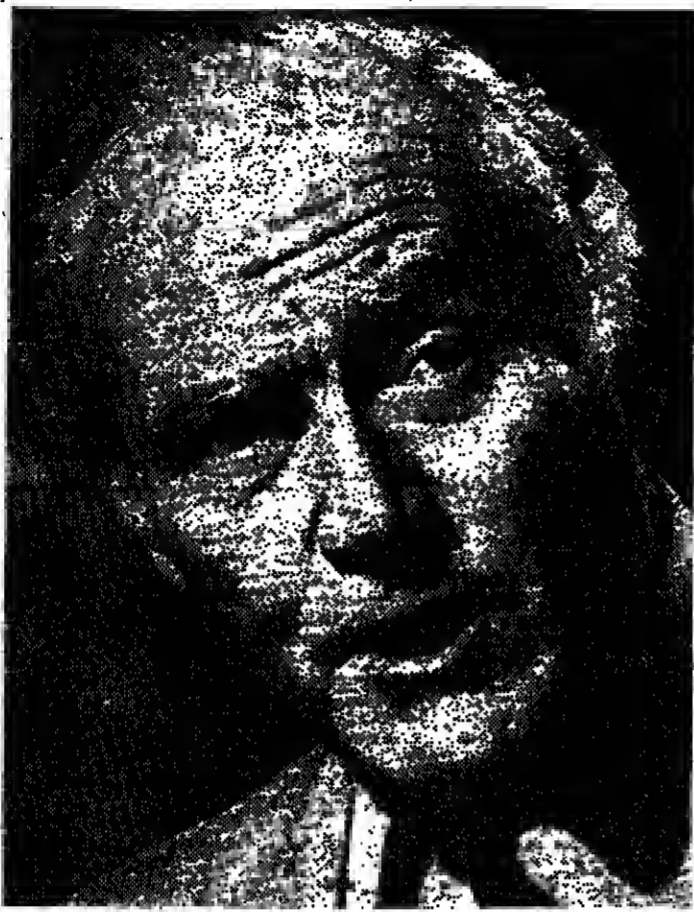
POLITICS TODAY

The unions: Labour's last resort

By Malcolm Rutherford

THE POLITICAL news of the week is obviously the miners. Had they voted in favour of a strike...

leaders is so wide as to rule that out. But what they are trying to do is to persuade the party to pull itself together...



Mr David Bassett: wide spread of political views

Here for instance, is Mr David Bassett, the General Secretary of the General and Municipal Workers' Union...

To answer that question it is necessary to face the wider issue of why the Labour Party is in such a mess.

The first is the relative failure of the Labour governments of the 1960s and 1970s...

At the same time, the party leadership did not take very seriously the party organisation.

The consequent disillusion led the far Left to seek changes in the party constitution with the aim of giving the Left more say...

The struggle over the constitution fostered splits as it became clear that the real purpose of the changes pursued was to produce a much more radical (some would say reactionary) class-based party.

56 per cent no longer back union affiliation

senior unionists have since said much the same thing, most notably on the Granada TV programme 'World in Action' last Monday...

None of these developments was inevitable. If there had been no Vietnam war in the 1960s...

with. And there is now also a Social Democratic Party in potential alliance with the Liberals...

with. And there is now also a Social Democratic Party in potential alliance with the Liberals...

with. And there is now also a Social Democratic Party in potential alliance with the Liberals...

What it comes down to is a pretty uncompromising message. The union leaders are saying that they will not go on indefinitely backing a loser.

Again, if the party leadership had woken up earlier to what those who sought changes in the constitution were really after...

One could go on. Those are the "ifs" of recent Labour Party history. But the point is that that is the way it turned out.

Not least, if Mr Callaghan had gone for an 8 rather than a 5 per cent pay norm in 1978-1979...

But it would not be a very desirable position in which to form a government...

Mr Foot believes, like Mr

Mr Foot believes, like Mr

Mr Foot believes, like Mr

Mr Foot believes, like Mr

Callaghan before him, that if only the political and industrial wings of the party could get together...

their union's block vote at the party conference, and how they went about it.

The constituency Labour Parties, which is basically where the demand for change came from...

Yet it is doubtful whether that kind of change is what the bulk of trade union members or the majority of their leaders really want.

There is, after all, an alternative reading. It is that the trade unions as we have known them, especially in the old industries...

Very little time left to set alliance in train

exist, of course, but not allied to any political party.

As for Mr Foot, he does seem to be fighting. His article in the Observer contained the following telling quote from R. H. Tawney:

"Exponents of our brand of socialism must face the fact that, if the public, and particularly the working class public, is confronted with the choice between capitalist democracy...

By David and Maurice Kogan. Fontana Paperbacks £1.75. Kogan Page £6.95.

Lombard Bonn's dilemma over jobs

By Jonathan Carr

PERHAPS you recall the joke about the man who said he had written to the Government outlining his idea for an aircraft which would travel at 1m mph...

There are really only three ways in which a new employment programme can be financed. One is to re-vamp the federal budget so that more investment expenditure can be made available...

Everyone is agreed that the current number of unemployed about 1.9m—is intolerably high and that something should be done about it.

Then the government could raise taxes—which is not usually seen as an ideal way of helping pull an economy out of recession.

Both the trade unions—who have proposed a DM 50bn initiative over the next five years to help cut the number of the unemployed—

Does all that mean there will be no "employment programme" after all? No, it does not, because the situation cannot be reduced to a easy set of economic arguments alone.

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Does all that mean there will be no "employment programme" after all? No, it does not, because the situation cannot be reduced to a easy set of economic arguments alone.

Letters to the Editor

The value of social science research

From Michael Wise, London School of Economics. Sir—Your view of the social sciences (editorial, January 15) is still conforming to the medieval mould...

surprised that "despite a dominance of academics among its members" the Council has become increasingly concerned to be identified with studies which can be represented as practical?

Mickey Mouse on London Transport

From Mr E. A. Kalfayan. Sir—The Germans call it "Mickey Maus Rechnen"—Mickey Mouse Costing...

Allegations about SDP negotiations

From Mr Mike Thomas, MP. On January 14 you published a report stating that "Mr David Steel, the Liberal Leader, has written to Mr Bill Rodgers, the SDP Leader in charge of negotiations over seats, complaining bitterly about the behaviour of Mr Michael Thomas."

Where the fault lies in rail failure

From the Executive Secretary, Federation of Petroleum Suppliers. Sir—Being visually handicapped, my long distance travelling must be done, faute de mieux, the "Fall Way," as it does not quite say over the entrance to Manchester Piccadilly station.

Regional influence on merger decisions

From Mr D. R. F. Simpson. Sir—Others may feel aggrieved that the Monopolies Commission found merit in the "Scottish argument" in its judgment on the Royal Bank of Scotland case.

Commercial realism is prompting the business world to re-appraise distribution methods.

In this, the trucking economy of rail emerges once again as the indispensable complement to road flexibility. A fact which is emphasised by the cost of diminishing energy resources.

Freightliner advertisement featuring a train and text: "Assome resources diminish new opportunities emerge" and "Freightliner Delivering what customers want."

Companies and Markets

UK COMPANY NEWS

Lovell tops £3m and raises dividend by 1p

PRE-TAX PROFITS of Y. J. Lovell (Holdings) advanced from £2.88m to £3.19m for the year ended September 30, 1981...

HIGHLIGHTS

After briefly touching on another sunny day in the financial markets where the Bank of England lowered its official dealing rates for the fourth day running...

more point below the 1981-82 peak. The profit improvement, albeit clipped back to 11 per cent at the pre-tax level after timber and U.S. associate losses...

Problems in timber and plant hire were predictable enough and the downturn in timber alone has cost Y. J. Lovell some £500,000...

Louis Newmark falls to £0.6m

AS ANTICIPATED taxable profits of Louis Newmark are down from £1.17m to September 26, 1981...

second half of this year at the present level of business are likely to be similar to those for the first six months...

Net profit of Leda Investment Trust improved from £215,657 to £228,790 in the year to December 31, 1981...

BET behind in first half

DESPITE HIGHER associates share of profits and lower interest, the sizable surplus of the British Electric Traction Company...

in their annual statement, the directors were unable to make a forecast of the likely results for the current year...

First-half turnover expanded from £444,088m to £483,666m with associates contributing £70,077m (£61,677m)...

Also above the line, there was investment income, little changed at £4.43m, against £4.39m...

Tax charge for the six months was higher at £14,077m (£13,699m) mainly because of certain overseas losses which cannot be set off against profits elsewhere...

Smallshaw downturn

The directors of R. Smallshaw (Kaltwear) failed to achieve their hoped for increase in profits for the year ended September 30, 1981...

Turnover of this manufacturer of knitted outerwear was up slightly at £5.81m compared with £4.96m...

Profit after tax slipped from £153,931 to £134,404 after tax of £15,750 (£18,486)...

Second-half boost for Assd. Paper—dividend up

A JUMP in second-half taxable profits from £96,059 to £973,990 at Associated Paper Industries...

And directors are paying a better-than-expected final dividend of 1.5p net per 25p share...

Turnover was down from £44.67m to £38.77m but this included only £1.15m from discontinued operations...

Mr Charles Rawlinson, chairman of this paper, film and stamping foils manufacturer...

He explains that during the first six months of 1981-82 directors were spending heavily on improving efficiency but that some benefits started coming through in the second half...

While they continue to look very carefully at efficiency and productivity, Mr Rawlinson believes that the major work in this area has been done...

Interest charged amounted to £590,506 (£768,472) and tax took £279,355, against £45,643...

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Current dividend, Total dividend, Total last year. Includes W.G. Allen, Astra Int, BET, Country & N. Town, Derby Trust, Greenfriar Inv, Leda Inv, London & Montrose, Y. J. Lovell, Louis Newmark, Owen and Robinson, Saville Gordon, R. Smallshaw, Turnbull Scott, Assd. Paper.

specialised converting operations. Of these, only the Slater laminating business has contributed strongly to the profit recovery so far...

Basic and fully diluted earnings per share are shown as 4.8p (2p) and 5.5p (2.25p) with tax on a nil distribution basis...

On a CCA basis the pre-tax figure is turned into a £1,000 loss (£583,000 loss).

After a decade of stops and starts, Associated Paper seems finally to be getting things right. The costly board mid disposals in 1980 have left the group with only four highly...

Greenfriar issuing warrants

Greenfriar Investment Company is making an issue to shareholders of warrants carrying the right to subscribe for new shares at a fixed price between 1983 and 1985...

The issue, believed to be the first of its kind for an investment trust, is on the basis of one for every five ordinary shares. The striking price for the warrants will be the net asset value of Greenfriar's shares on February 15, 1982...

Stated earnings per 25p share improved from 2.11p to 2.97p and the net dividend is increased by 0.3p to 2.3p, absorbing £92,000 (£80,000). Net asset value was 221.3p (202.3p)...

Greenfriar is managed by Henderson Administration.

Cambrian re-structuring

Cambrian and General Securities and Mr Ivan F. Boesky of New York have agreed proposals to be put to shareholders on February 15...

These include the creation of a class of capital shares, a scrip issue, a 10p increase in net assets to approximately £5m through the ordinary shares, London Trust (7.36 per cent) and the shares and capital shares by Mr Boesky and his family...

A company controlled by Mr Boesky would be appointed investment manager. Existing shareholders will have the opportunity to sell their ordinary shares at net asset value...

The following capital changes are involved: 1-The Boesky family will subscribe for 214,503 ordinary shares at net asset value...

2-A rights issue will be made in the form of five ordinary shares and three capital shares for every 15 ordinary shares then held. This will involve the issue of...

3-A rights issue will be made in the form of five ordinary shares and three capital shares for every 15 ordinary shares then held. This will involve the issue of...

4-The Boesky family will subscribe for 4.78m additional capital shares at 15p per share.

Turnbull Scott loss midway

FREIGHT RATES deteriorated further during stopover and engineer Turnbull Scott Holdings' first half ended September 30, 1981 to bring about taxable losses of £587,000 against profits of £260,000 last time...

However the interim dividend is being maintained at 3p net per £1 share. Last year a total of 6p was paid, when the company suffered a pre-tax loss of £270,000. Losses per share for the six months are given as 60.38p (34.78p earnings) before extraordinary items...

Losses before tax were struck after an interest of £220,000 (£134,000) and depreciation of £471,000 (£568,000). Tax took £13,000 (same) leaving attributable losses of £600,000 (£655,000 profits). Last time there was also a minority debit of £1,000 and an extraordinary credit of £200,000 (£100,000) on a ship.

The directors say that the MV 'Stonegate' was sold in December, 1981 and provided a surplus before tax over book value of £940,000. The acquisition of Fred Parker Holdings was completed on December 15, 1981, they add.

Independent Investment

REVENUE ATTRIBUTABLE to ordinary shareholders of the Independent Investment Company was £30,000 for the six months to December 31, 1981 against £78,000 last time, while net assets rose by 37 per cent to £42.27m at that date compared with £31.87m last time...

The directors point out that the revenue figures are not comparable due to a rights issue made in November 1980.

Earnings per 25p share of this investment trust—whose policy is to invest for capital growth, principally in listed and unlisted companies involved directly or indirectly in technology, with particular emphasis on electronics—are given as 0.14p (0.28p); while net assets are stated at 151.77p (£11,056p)...

Assets were made up of investments listed on the UK Stock Exchange £9,04m (£8,32m); investments listed on other stock exchanges £28,78m (£35,53m); unlisted investments as valued by the directors £4.11m (£1,06m); short term fixed interest securities £443,000 (£9.72m); investment funds on deposit £767,000 (£1,17m); and net current assets of £195,000 (£18,000)...

Fixed income was £130,000 (£104,000), and unlisted income £185,000 (£226,000). After interest and expenses of £247,000 (£176,000) the taxable profits emerged at £125,000 (£134,000)...

Advertisement for Thos. W. Ward. Features logos and text: 'To the shareholders of Thos. W. Ward', 'RTZ is trying to get your shares too cheaply', '225p is not a proper bid price. 225p is no more than a reasonable stock market trading price for Ward shares at which:', 'The prospective dividend yield of 7% is above average and covered a safe 2.75 times.', 'Over the last five years: Ward's profit has increased 123%. 27% more forecast for the current year. Dividends have increased 113%. 41% more forecast for the current year.', 'TAKE NO ACTION Do not sell your shares in the market. Ignore the Acceptance Form sent to you by RTZ.', 'This advertisement is published by S. G. Warburg & Co. Ltd. on behalf of Thos. W. Ward p.l.c. The directors of Thos. W. Ward p.l.c. (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and each of the directors accepts responsibility accordingly.'

Advertisement for M. J. H. Nightingale & Co. Limited. Includes a table of stock prices and indices: 'THE TRING HALL USM INDEX 115.5 (+0.5) close of business 21/1/82', 'CORAL INDEX Close 555-560 (+13)', 'OIL INDEX March Billed \$39.40', 'Price now available on Bristol page 431.61.'

Advertisement for ANGLIA BUILDING SOCIETY. Text: 'This announcement appears as a matter of record only.', 'ANGLIA BUILDING SOCIETY £20,000,000 Revolving Credit Managed by S. G. Warburg & Co. Ltd.', 'Allied Irish Investment Bank Limited, Grindlays Bank p.l.c., Allied Irish Investment Bank Limited, Amsterdam-Rotterdam Bank, N.V., A.P. Bank Limited, Australia and New Zealand Banking Group Limited, The Bank of Nova Scotia, Central Finance Services Bank Limited, Charterhouse Japhet p.l.c., Grindlays Bank p.l.c., The National Bank of Australasia Limited, S. G. Warburg & Co. Ltd., Agent: S. G. Warburg & Co. Ltd., January 1982.'

## Astra gets little help from its main divisions

BOTH ENGINEERING and property divisions of Astra Industrial Group suffered severe reductions in pre-tax profits, and group figures overall were down from £155,000 to £102,000 in the half-year to October 31, 1981. The engineering division's contribution was down from £244,000 in £22,000, and property plunged from £467,000 to £29,000.

The interim dividend is down, as forecast, from 9.5p to 8.125p. Last year's total was 1.5p, which included a special payment of 0.5p paid out of profits from the sale of a subsidiary.

The directors say the engineering division's results have not come up to expectations, nevertheless, it is known that the second half will show a recovery. They say a substantial increase will also be seen in the income of the investment and property division in the second six months.

These two factors lead the board to believe that, notwithstanding the disappointing half-

### BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are to be paid and the subdivisions shown below are based mainly on last year's dividends.

Company	Date
Interim—Don, Haynes Publishing, Star Computer, Striding Group	Jan 28
Final—Hawthorn Trust, United States and General Trust	Jan 29
Interim—Kerr	Jan 29
Interim—Dunlop	Jan 29
Interim—Holloway	Jan 29
Interim—Hill	Jan 29
Interim—Stewart Plastics	Jan 29
Final—Addnew Investment Trust	Jan 29
Final—Rutland	Jan 29
Final—Jones (Emmet)	Mar 23
Final—Owners Abroad	Mar 23
Final—Pratt (F.) Engineering	Jan 28
Final—Scottish Agricultural Industries	Feb 4

year's figures, the full year's profits will not be far short of last year's pre-tax figure.

## W. G. Allen £311,000 in the red

IN THE six months to September 30 1981 engineering group W. G. Allen and Sons (Tipton) suffered from a lack of volume particularly in heating products which was reflected in an almost 20 per cent fall in sales from £3.7m to £3.0m and caused a slide from taxable profits of £40,000 to losses of £311,000.

As a result the interim dividend is being passed. Last time there was a pay-out of 0.3p net per 25p share, and a total for the year of 3.105p was paid out of taxable profits of £148,192.

However, the directors say that sales of mechanical handling products have held up quite well, primarily through exports, as has fabrication work at Littlehampton.

Looking to the second half they say that there will be some improvement, but there will be a further, albeit reduced, loss. They have every confidence in the group's products and say they are bending all their efforts to ensure a more satisfactory result for 1982-83.

## Trafalgar de-merger next month

BY RAY MALGHAM

Trafalgar House has received Inland Revenue approval to spin its newspaper and magazine interests off into a separately quoted company, Fleet Holdings.

As announced at the end of last month, Trafalgar is proposing to float off the Express Newspapers and Morgan Gramplan periodicals publishing group. Lord Matthews, deputy chairman and chief executive of Trafalgar, said yesterday at the annual meeting that the de-merger would go ahead "as soon as possible" and expected that the prospectus for the flotation would be published early in February.

One condition governing the disposal, that covering an agreement with Associated Newspapers for the joint holding in Evening Standard, would be waived.

Lord Matthews was expecting the talks with Associated to complete for "a long time" and would centre on matters "of principle". The 50 per cent stake in the Evening Standard is to be transferred from Express Newspapers to Trafalgar at book value prior to the merger with the Evening News, Associated's London evening newspaper absorbed into the Standard.

The proposals for the de-merger were carried on a show of hands at Trafalgar's extraordinary meeting yesterday and were backed by proxies representing more than 265m shares. Opposition amounted to just 44,310 shares.



Lord Matthews leaves the Institute of Chartered Accountants, Moorgate, London, after the Trafalgar House AGM

Answering a series of questions from Express employees, Mr Nigel Brookes, chairman of Trafalgar, stressed that the group would be putting £15m

of equity and £15m of convertible loan stock into Fleet although losses totalling £22m from the parent company to its publishing subsidiary would be repaid.

Mr Brookes made it clear that Trafalgar would trigger its option to convert its loan stock holding and thereby take up a total of 35 per cent of the shares in the event of an outside bid for Fleet after the de-merger.

The chairman declared that Trafalgar had made only "small profits" on the disposal of Express Newspaper's property interests although he said "we will make quite a lot of money when the Shoe Lane development is completed in a couple of years' time."

Mr Matthews said that he was making one senior outside appointment to make up the team of publishing executives which will run Fleet. After the meeting, Trafalgar director, Mr Eric Parker, confirmed that the group was still negotiating with the British Steel Corporation for the purchase of the corporation's loss-making heavy engineering subsidiary, Redpath Dorman Long. Discussions were progressing "very slowly," he said, but he was confident that Trafalgar was the only likely buyer. The final consideration would depend on net asset value which he indicated would be about £10m after further rationalisation within RDL and carried by BSC.

RDL now employs 3,200 people, he said, but Trafalgar will take on only 2,600. In addition, Trafalgar wants to cut RDL's plants from eight to seven sites.

## Glass Glover raising £0.6m

Glass Glover, food distributors and importers of fresh fruit, is raising approximately £590,000 by way of a one-for-five rights issue of 1.125m shares at 55p each.

The issue, which is not underwritten, is pitched at a 31 per cent discount to the market value of the shares which closed yesterday up to 1.14p. The directors and their family own just under 50 per cent of the shares.

The company also announced yesterday that pre-tax earnings jumped 32 per cent in the year ended September 30 1981 from £88,883 to £117,443. Turnover advanced to £43.8m against £37.6m in the year previously. Pre-tax profit included interest

received of £27,191 (£8,066). Tax was £467,014 (£361,864) while earnings per share was 7.14p (5.27p).

Mr Harry Glass, chairman, says that all members of the company's activities are experiencing good trading conditions, enabling the group to boost profits for the sixth year in a row.

The final dividend has been raised to 1.7p, making 2.5p for the year against 2.1p. The board intends to recommend dividends in the current year of not less than 2.5p on the increased capital.

The rights money will be applied towards the completion of a film distribution depot in Newbridge, Midlothian.

## Aerospace Eng. on target to meet forecast

For the six months to October 31 1981 pre-tax profits of Aerospace Engineering advanced from £375,000 to £525,000 and the directors say they are confident that the company will achieve its forecast of not less than £800,000 for the full year to end-April made last July in the offer for sale document.

Half-year stated earnings per 25p share rose to 7.9p (5.6p) and as freshened, a net interim dividend of 2.75p is being paid—a final of 5p is expected to be declared.

Turnover £210,000 (£150,000) leaving the attributable balance at £315,000 (£225,000). Turnover was higher at £1.71m, compared with £1.21m.

The company's shares are traded on the Unlisted Securities Market.

## Aerospace Eng. on target to meet forecast

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### OWEN AND ROBINSON

A loss of £48,704 is reported by Owen and Robinson, the York Jeweller and silversmith, for the half year to November 30 1981. In the corresponding period last year, the company had pre-tax profits of £974. No interim dividend is being paid against 6p last time—last year's total was 16p from pre-tax profits of £10,274.

Turnover for the half was little changed at £440,837 (£454,603). No tax charge is given this time, against £90.

## Saville Gordon rises to £0.5m

IN LINE with the company's forecast of a marked improvement in profits J. Saville Gordon Group turned in a higher taxable surplus of £522,703 compared with £316,288 for the first half to October 31 1981 on turnover £1.33m lower at £9.06m.

The interim dividend of this metal and engineers' merchant, and investment property proprietor is being increased to 1p net per 10p share (0.55p) to reduce the disparity between the interim and final distributions. Last year a total of 2.928p was paid out of pre-tax profits of £311,000 (£1.61m).

Mr J. D. Saville, chairman, says that the group's current trading position is somewhat clouded, as the low level of demand for pipeline equipment shows little sign of an early improvement, and the effect of the severe weather on the group's operations in general, and those in South Wales in particular, has not yet been fully assessed.

However, he says that although demand for pipeline

equipment was low during the first half and price competition fierce, the engineers' merchants and stockholding division made an acceptable contribution to group profits.

The property investment division made a small operating loss in line with expectations but Mr Saville is confident that in the longer term, this acquisition will prove to be very successful.

A breakdown of sales and profits for the half year shows: engineers' merchants and stockholding £2.94m (£4.81m) and £221,971 (£304,685); metal trading and scrap processing £5.03m (£5.57m) and £211,168 (£11,603); and property investment £90,026 (nil) and £10,946 losses (nil). Tax took £182,946 (£31,530).

### comment

A turn-round in its rather volatile metal-recovery business has had a striking effect on the interim profits of J. Saville Gordon. The six-month pre-tax is not far short of three times what the group achieved in the second half of last year

(and slightly ahead of the full year). There is an accompanying glimmer of improvement in sales of tube fittings, despite low demand and a cut-throat market. It is at first sight odd that there was so slight a response from the share price, which rose only 3p to 51p. But much of this improvement had already been discounted after an optimistic statement at the annual meeting, while expectations of further recovery are to some extent defused by the doubts expressed yesterday. In any case, the share price is now rather insulated from trading factors by Saville's move into property management. Much of the Jacey portfolio acquired last February is approaching reversion dates, and rental uplifts should be substantial (given that some of Jacey's best retail sites are still yielding only £1 per sq ft). And after all, doubling up the first-half profit leaves the shares on a fully-taxed multiple of 12. If the total dividend is maintained, the yield is nearly 8p per cent, so the price is by no means exacting.

## Whatlings climbs to £0.42m

A SUBSTANTIAL increase in pre-tax profits is reported by Whatlings, the Glasgow-based civil engineering and building contractor, for the year to September 30 1981. The figures show an increase from £151,844 to £416,649, although turnover was down from £28.81m to £26.7m.

An interim dividend, in lieu of final, of 1p (0.9p) was paid on December 21, and this absorbed £40,000 (£38,000). UK tax was higher at £17,143 compared with £15,429, but overseas tax was static at £225. Attributable profits were £399,251 against £361,520, but the previous year's figures included an extraordinary credit (deferred tax not required) of £425,330.

Retained profits were £359,251 (£325,530) and stated earnings per 25p share climbed from 3.5p to 9.55p.

## Bridport-Gundry 'recovery'

Mr R. W. Holder, the chairman of Bridport-Gundry (Holdings) told shareholders at the annual meeting that the group was continuing to enjoy the benefits of the "cost savings" instituted last year.

The results for the first half of the current year, he said, were "expected" to be around break-even after interest, with the possibility of a small loss. He added that the figures would clearly show a "recovery" for the six months to January 31, 1981 the group incurred a taxable loss of £336,900.

For the year as a whole Mr Holder predicted a "satisfactory result" for shareholders. He pointed out that trading conditions had slightly improved in the UK over the last year but had tended to worsen in the U.S.

He warned that margins remained low, both in Europe and the U.S., and that the group was therefore dependent on volume to offset continuing depressed prices.

The chairman said that with the group's mix of business it was usual for half under half of its annual turnover to be

achieved in the first half of the year but added that this could create an imbalance in profit between the two reporting periods. This year, he said, Pearsalls, the group's major manufacturing unit, has anticipated an average increase in volume of about a third for the second half which would further accentuate the distortion.

The chairman concluded by reporting that the group's cash position remained strong and that the management had been strengthened at Bridport and Tipton as had the board itself.

## A YEAR OF SUBSTANTIAL ACHIEVEMENT A FUTURE OF CONTINUED GROWTH

Now better balanced than ever before and working to a worldwide market strategy, The BOC Group is taking full advantage of its international strengths as a foundation for continued growth.

- 1981 profits before tax increased 50% to £92.7 million. Dividend increased by 10.6%. CCA dividend cover increased to 2.7 times. Share price increased by 58%. More than 80% of operating profit came from outside the UK, reflecting the truly international nature of the Group.
- Profits are forecast to increase further in 1982. Capital spending will rise as the Group takes further advantage of international opportunities for profitable investment. These encouraging trends should continue in the years ahead.

The 49,336 Shareholders of The BOC Group will be sent their copy of the 1981 Annual Report today. If you would like a copy of this report, please complete the coupon below or telephone 011 748-2020.

# THE BOC GROUP

The 96th Annual General Meeting of BOC International plc will be held at The Lyric Theatre Hammersmith, King Street, London W6 on Wednesday 17th February 1982 at 3.00pm.

To: Corporate Communications, The BOC Group, Hammersmith House, London W6 9DX  
Please send me a copy of the 1981 Annual Report  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
FT

BIDS AND DEALS

MINING NEWS

Rotunda management in buy-out deal with BICC

Rotunda, a leading British manufacturer of self-adhesive tapes for industrial and consumer markets, has been purchased from its former parent, BICC, by a group of four of its senior managers.

T. Ward rebuts RTZ final offer

That W. Ward has rebuted the final appeal made to its shareholders by Rio Tinto-Zinc on January 19 by offering them its own final thoughts on the RTZ bid due to close on January 26.

Vaal Reefs makes the best of a poor year

BY KENNETH MARSTON, MINING EDITOR

ONCE AGAIN, South Africa's big Vaal Reefs gold and uranium mine has paid a better than expected final dividend. The payment of 550 cents (291p) makes a total for 1981 of 980 cents against 1,330 cents for 1980 when the average gold price was \$614 per troy ounce compared with \$457 in 1981.

Table with columns for Dividend, Qtr ended, and various company names like ERGO, F. S. Geduld, President Brand, etc.

Royal Bank of Scotland dealings face SE probe

THE STOCK EXCHANGE has confirmed that it is conducting an inquiry into dealings in the shares of the Royal Bank of Scotland Group.

Family disposals give Cardin control of Maxim's

M. Pierre Cardin, head of the famous Paris fashion house, has gained control of Maxim's, the top French restaurant, in London.

Zimbabwe's mineral marketing take-over will hit producers

ZIMBABWE CHAMBER of Mines has reacted sharply to the Government's decision to press ahead, in unadvised form, with the legislation to establish State-owned minerals marketing corporation that would take over the marketing function of the mining houses, reports Tony Hawkins from Salisbury.

Southvaal Holdings Limited logo and name.

PRELIMINARY PROFIT ANNOUNCEMENT AND NOTICE OF FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED DECEMBER 31 1981. Table with columns for 1981 and 1980.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED. Office of the United Kingdom Transfer Secretaries.

HONEYWELL BUYS PROTECTION

Honeywell, UK subsidiary of Honeywell International Inc., has announced the purchase of Protection, London-based intruder alarm system concern.

MANDERS (HOLDINGS) BUYS TILE COMPANY

Manders (Holdings) decorative division has acquired HGB Tiles of Quarry Lane, Chichester, which trades as Working Tile Warehouse and distributes ceramic tiles from centres to Chichester, Fareham, Woking, Portsmouth and Bognor Regis.

ALEXANDER HOWDEN

The merger between Alexander and Alexander Services and Alexander Howden Group is not being referred to the Monopolies Commission.

BURMAH/CRODA

J. Henry Schroder Wagz, who are advising Burmah Oil, sold 100,000 Croda International ordinary shares at 75p and 61,750 deferred shares at 49p on January 20, on behalf of associates' discretionary investment clients.

BANK RETURN

Wednesday Jan. 20, 1982. Increase (+) or Decrease (-) for week.

BANKING DEPARTMENT and ISSUE DEPARTMENT tables showing financial data.

Carroll Industries Limited

Summary of Results for the year ended 30th September 1981.

The results for the Group in the year to 30th September 1981 might best be described as quite good in the circumstances, these circumstances being that the condition of the economy continued to deteriorate alarmingly as domestic inflation gathered momentum at a time when the main trading nations struggled vigorously to reduce the much lower levels of inflation existing in their economies.

Current Cost Convention table with columns for 1981 and 1980, rows for Sales, Operating Profit, etc.

Carroll Industries Limited logo and contact information.



UK COMPANIES

Country and New Town at £0.51m

FOR THE six months to July 31 1981, Country and New Town Properties returned operating profits of £215,000, compared with a loss of £137,000 for the corresponding period a year earlier...

Mr Newton points out that the right issue enable the group to repay its UK bank borrowings and clear the way for further expansion...

Record bonus declaration by Scottish Provident

RECORD LEVELS of reversionary and terminal bonus have been announced by the Scottish Provident Institution for 1981 in its first ever annual declaration...

The actual rate for assurance remains at 55 per cent of the sum assured and attaching bonuses. But this is equivalent to 55.25 per cent under the three-year basis...

Derby Trust at £0.58m

FOR 1981 net revenue of Derby Trust investment trust slipped from £583,158 to £583,584, and the company is reducing its net final dividend from 11.645p to 10.876p...

1981 was affected by the move of funds into overseas markets during 1980, and by further transfers in 1981.

SHARE STAKES

Berwin Rubber Estates—The Johore State Economic Development Corp. Malaysia now holds a total of 1,505,600 ordinary shares (10.138 per cent).

has reduced its stake to 2.5m ordinary (19.889 per cent). Cattle's (Holdings)—Mr R. Waudby, Mr E. W. Chapman, Mr A. R. Muir, Mr A. D. Milburn and Mr A. N. Collier, as trustees of the staff pension fund...

Transvaal

WESTERN DEEP LEVELS Western Deep Levels Limited

Table with 3 columns: Quarter ended Dec 1981, Quarter ended Sept 1981, Year ended Dec 1981. Rows include Operating Results, Financial Results, and Development.

EAST DAGGAFONTEIN East Daggafontein Mines Limited

Table with 3 columns: Quarter ended Dec 1981, Quarter ended Sept 1981, Year ended Dec 1981. Rows include Operating Results, Financial Results, and Development.

VAAL REEFS—continued

Table with 3 columns: Quarter ended Dec 1981, Quarter ended Sept 1981, Year ended Dec 1981. Rows include Royalty to Southern Holdings Limited, Capital expenditure, and Development.

ERGO East Rand Gold and Uranium Company Limited

Table with 3 columns: Quarter ended Dec 1981, Quarter ended Sept 1981, 9 months ended Dec 1981. Rows include Operating Results, Financial Results, and Development.

ELANDSRAND Elandsrand Gold Mining Company Limited

Table with 3 columns: Quarter ended Dec 1981, Quarter ended Sept 1981, Year ended Dec 1981. Rows include Operating Results, Financial Results, and Development.

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa.

Reports of the directors for the quarter ended December 31 1981

S.A. LAND The South African Land & Exploration Company Limited

Table with 3 columns: Quarter ended Dec 1981, Quarter ended Sept 1981, Year ended Dec 1981. Rows include Operating Results, Financial Results, and Development.

VAAL REEFS Vaal Reefs Exploration and Mining Company Limited

Table with 3 columns: Quarter ended Dec 1981, Quarter ended Sept 1981, Year ended Dec 1981. Rows include Operating Results, Financial Results, and Development.

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ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES 1. ORE RESERVES At July 31 1981 ore reserves were estimated at 3 p.p. limit based on a gold price of R12 000 (1980: R12 000) a kilogram...

You need personal financial planning. We all do. Which is why this week's Investors Chronicle carries a special supplement on Personal Financial planning.

INVESTMENT Plenty of options for building society investors. Unit trusts—getting the message across. Unit trust portfolios—commitment or stoicism.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED. NOTES 1. ORE RESERVES. 2. DIVIDENDS. 3. DEVELOPMENT.



Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Orange Free State

Reports of the directors for the quarter ended December 31 1981.

WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL: 14 354 276 shares of 50 cents each

Figures stated in respect of the quarters ended December and September 1981 are actuals for the companies. However, to enable comparison to be made the results for the year ended September 1981 have been synthesized as if quarter before tax on the basis that the companies had been in effect for a full 12 months.

Table with columns: Quarter ended Dec. 1981, Quarter ended Sept. 1981, Year ended Sept. 1981. Rows include Operating Results (GOLD, JMS, etc.), Financial Results, and Development.

PRESIDENT STEYN

President Steyn Gold Mining Company Limited and its wholly-owned subsidiary, Video Mining Company Limited

ISSUED CAPITAL: 14 566 400 shares of 50 cents each

Figures stated in respect of the quarters ended December and September 1981 are actuals for the companies. However, to enable comparison to be made the results for the year ended September 1981 have been synthesized as if quarter before tax on the basis that the companies had been in effect for a full 12 months.

Table with columns: Quarter ended Dec. 1981, Quarter ended Sept. 1981, Year ended Sept. 1981. Rows include Operating Results (GOLD, JMS, etc.), Financial Results, and Development.

FREE STATE GEDULD—Continued

Table with columns: Advance metres, channel width, gold, uranium. Rows include Leader reef, Quarter ended, and Development.

\*Includes the adjustments following the re-estimation of reserves.

\*\*Includes the purchase consideration for the development assets of Free State Gold Mining Company Limited and Welkom Gold Mining Company Limited.

For and on behalf of the board G. LANGTON Directors

January 22 1982

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For and on behalf of the board G. LANGTON Directors

January 22 1982

For and on behalf of the board G. LANGTON Directors

PRESIDENT BRAND

President Brand Gold Mining Company Limited

ISSUED CAPITAL: 14 040 000 shares of 50 cents each

Figures stated in respect of the quarters ended December and September 1981 are actuals for the companies. However, to enable comparison to be made the results for the year ended September 1981 have been synthesized as if quarter before tax on the basis that the companies had been in effect for a full 12 months.

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January 22 1982

JOINT METALLURGICAL SCHEME

Summary table with columns: Quarter ended Dec. 1981, Quarter ended Sept. 1981, Year ended Sept. 1981. Rows include Pyrite flotation plants, Acid plant, etc.

Profits vary from quarter to quarter depending on sales.

EUROPEAN OPTIONS EXCHANGE table with columns: Series, Vol., Last, etc. Lists various options for GOLD, SILVER, etc.

LONDON TRADED OPTIONS table with columns: Option, Ex. price, etc. Lists options for various commodities.

CAMBRIAN & GENERAL SECURITIES p.l.c.

Incorporated under the Companies Act 1908 in 1917. No. 150010

SHARE CAPITAL

Authorised £ 118,800 in 3.5% Cumulative Preference Shares of £1 each.

1,381,200 in Ordinary Shares of 25p each. £1,018,888

£1,500,000

The whole of the issued share capital of Cambrian & General Securities p.l.c. has been re-admitted to the Official List and dealings will recommence on Monday 25th January 1982.

Copies of a Circular Letter relating to a proposed reorganisation including a reconstruction of share capital involving a consolidation issue, a rights issue and additional subscription of new capital, and the adoption of a new investment policy, coupled with an arrangement enabling shareholders to sell their shares at net asset value as at 12th February 1982, are available during usual business hours (Saturdays and Public Holidays excluded) between 22nd January and 15th February, both dates inclusive, from Cambrian & Co., 12 Tokenhouse Yard, London EC2R 7AN. Subsequent to restoration of the Listing and reconstruction of dealings, a statement of net asset value will be available on a daily basis up to 12th February 1982 from Cambrian & Co. at the above address.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTE DEVELOPMENT Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

The Transvaal Group's results appear on another page in this newspaper. Copies of these reports will be available on request from the offices of the Transfer Secretaries.

Charter Consolidated P.L.C., P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.

LONDON OFFICE: 40 HOLBORN VIADUCT, EC1P 1AJ

WELKOM GOLD MINING COMPANY LIMITED

The attention of shareholders is directed to the report of Western Holdings Limited.

Handwritten signature in Arabic script.

Handwritten note in a box: "Handwritten note in a box"

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

\$1.15bn of new issues as Eurodollar bonds gain

By Alan Friedman

A FLOOD of new bonds... The \$250m zero coupon issue from Xerox Credit is priced at 2 1/2% to yield 14.65 per cent...

Salomon Brothers and Merrill Lynch... The \$250m zero coupon issue from Xerox Credit is priced at 2 1/2% to yield 14.65 per cent...

10-year floating rate notes carry a margin of 1/2 per cent above six-month Libor and a 5 per cent minimum coupon...

Rockwell lifts profits but orders fall sharply

By Ian Hargreaves in New York

ROCKWELL International, the U.S. industrial group, reported a 12 per cent increase in earnings for the first quarter of its fiscal year...

Traders in the Euro market acknowledge that significant portions of the zero coupon paper was being pre-placed in Japan and on the Continent...

International Paper boosted by disposals

By Our Financial Staff

EARNINGS FROM operations fell sharply in the final quarter at International Paper, the U.S. group which ranks as the world's leading paper maker...

SLUMP IN DEMAND HITS ALUMINIUM GROUPS Earnings slide at Alcoa and Alcan

BY OUR FINANCIAL STAFF

THE SLUMP in world demand for aluminium, resulting from the international recession, has brought heavy falls in profits at the two major producers...

Both companies disclosed that sales outside the North American market had been particularly hard hit.

Alcoa, the largest aluminium company in the U.S., reported that net income in the final quarter of 1981 was only a third of the previous year's level...

Mr W. H. Krome George, chairman, said that the downturn in demand had been especially noticeable in the final quarter...

year from 86 to 66 per cent, though part of this was attributable to Alcoa's attempt to recycle more aluminium rather than produce fresh.

Mr Krome George added that while aluminium shipments could improve in the first quarter of this year, "increasing costs and continuing pressure on prices will adversely affect profitability."

Alcan's final quarter net income was \$32.3m or 42 cents a share, compared with \$102.9m or \$1.40 a share previously.

Aluminium used for beverage cans. At Alcan, reduced earnings were attributed to lower demand and widespread price discounting...

For the whole of 1981, Alcan's consolidated net profit was U.S.\$264m, or \$3.24 a share, against \$542m, or \$6.70 a share in 1980.

Alcan's final quarter net income was \$32.3m or 42 cents a share, compared with \$102.9m or \$1.40 a share previously.

Aluminium shipments were 1.53m tons, down from 1.68m in 1980. The only pocket of strength in the market was in

cent in 1980. Total volume of shipments held up reasonably well in 1981, declining 3 per cent from 1980.

Strong recovery at Monsanto

BY OUR NEW YORK STAFF

MONSANTO, the large U.S. chemicals company which suffered a recessionary squeeze in 1980, weathered the storm better last year and ended up with improved profits.

Net income was \$445.2m or \$11.50 a share, a threefold improvement on the \$148.5m or \$4.10 a share earned in 1980.

The increase does, however, include a net gain of \$67.7m or \$1.75 a share that Monsanto obtained from the sale of its interest in a joint venture with Conoco.

Sales for the whole year were up only marginally, from \$6.57bn to \$6.95bn.

In the final quarter, Monsanto transformed a \$68m loss, equal

to \$1.88 a share, into a profit of \$52m or \$1.25 a share. But sales were lower at \$1.56bn compared with \$1.66bn previously.

Mr John Hanley, chairman, said "good progress" had been made in 1981, with agricultural products sales up strongly, and good results seen in textiles and plastics and resins.

The company's financial condition was also greatly improved.

Net earnings of Pfizer, the leading ethnic drugs manufacturer, fell 13 per cent from \$253.9m or \$3.46 a share to \$221.3m or \$2.95 a share in fiscal 1981, despite an increase in sales from \$3.03bn to \$3.25bn.

Sales were drifting lower in the final quarter — \$822.5m against \$825.3m — but a \$10.8m gain from the exchange of sinking fund debentures boosted net earnings from \$64.1m to \$75.9m, or from 37 cents to \$1.00 a share for a gain of 18.4 per cent.

The directors said that results from continuing operations were affected significantly by changes in exchange rates on the 50 per cent-plus share of sales usually chalked up outside the U.S.

Sales growth was reduced by about 5 per cent for 1981 and about 8 per cent in the final quarter.

American Airlines loss in final period

By Our Financial Staff

AMERICAN AIRLINES, the fourth largest U.S. carrier, ended 1981 in the black, despite a dive into losses in its final quarter, losses which are likely to continue in the early part of this year.

Net earnings for the year came to \$47.4m compared with the \$75.8m loss of the previous year. Annual operating income totalled \$72.2m, against the \$86.5m deficit of 1980, while for the final three months the operating loss widened dramatically from \$2.6m to \$34.8m.

The full year profit came after inclusion of a \$13.9m gain from the sale of tax benefits and a \$14.8m reduction in pension costs. In 1980 the loss came despite a \$73.4m gain from a debt-for-equity exchange and the sale of hotel interests, which was offset by a \$37m provision for losses on aircraft sales.

CSR close to completion of \$800m loan

By Our Financial Staff

CSR, the Australian sugar and resources group, is near to completing a U.S.\$800m multi-currency loan package to refinance its recent acquisition of Deft International Oil Corporation.

Mr Gordon Jackson, CSR general manager, said in London the package would be in two parts, one consisting of non-recourse debt, and the other with limited recourse to CSR should Deft be unable to service the loan.

The two parts will be of equal size when the financing starts but will be of variable ratio through the life of the package.

Swiss concerned by run of Japanese convertibles

BY OUR EUROMARKETS STAFF

THERE IS growing concern in Switzerland that many Japanese convertible bonds are being offered in the Swiss foreign-bond market.

Yesterday saw the launch of three Swiss franc convertibles for Kumiyama, the retail group, Ishihara, the chemicals company, and TEAC, the audio equipment maker.

The Kumiyama SwFr 20m offering is for five years with a 6 per cent coupon. It is being placed privately through Swiss Volksbank.

too, is a five-year paper with a 6 per cent coupon. TEAC is offering SwFr 25m privately with the five-year convertible bonds carrying a 6 per cent coupon. Lead manager is Paribas Suisse.

In Zurich, where Swiss franc foreign bonds closed slightly higher last night, dealers were worried that if Japanese borrowers brought too many convertibles to the market at once, the same fate which befell them in the Eurodollar bond market could be repeated.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday February 10.

Table with columns: U.S. DOLLAR, Issued, Bid, Offer, Day, Week, Yield. Lists various international bonds like U.S. Govt, Amoco, etc.

Table with columns: DOLLAR MARKET, Issued, Bid, Offer, Day, Week, Yield. Lists various dollar-denominated bonds.

Table with columns: Change on, Issued, Bid, Offer, Day, Week, Yield. Lists various international bonds with price changes.

Table with columns: Change on, Issued, Bid, Offer, Day, Week, Yield. Lists various international bonds with price changes.

U.S. QUARTERLIES

Table showing quarterly financial data for various companies like Abbott Laboratories, Apple Computer, etc.

Ethyl to buy insurer for \$270m

By Our Financial Staff

ETHYL CORPORATION, the chemicals, plastics and energy-related products group, is to acquire all the outstanding shares of First Colony Life Insurance Company for about \$270m in cash and stock.

Ethyl said it would pay \$50 in cash and one-half share of Ethyl convertible preferred stock for each of the 4m outstanding shares of First Colony.

Depressed fourth quarter result at Georgia-Pacific

BY OUR FINANCIAL STAFF

AFTER A depressing third quarter in which per share earnings were halved, Georgia-Pacific, the largest U.S. producer of softwood plywood, ended 1981 with profits falling even faster.

Fourth-quarter earnings tumbled 65 per cent, from \$64m or 61 cents a share to \$22m or 21 cents a share.

Net earnings for the full year were 34 per cent down, from \$243m or \$2.33 a share

to \$160m or \$1.51 a share. Sales for the year totalled \$5.41bn, against \$5.01bn in 1980, with the final period producing \$1.22bn against \$1.31bn previously.

Conditions in the fourth quarter were much the same as in the three preceding months. High interest rates continued to hurt residential construction

Rail group slump

Fourth-quarter earnings were slumped at Sante Fe Industries, which operates the Atchison, Topeka and Sante Fe Railway in the south-western and mid-western U.S., writes our Financial Staff. Net profits for the period were only \$55.2m against \$103.9m in the corresponding 1980 period on sales of \$811.9m against \$827.1m previously.

PHILADELPHIA WORLD INSURANCE CONGRESS April 25th through 28th, 1982 Philadelphia, Pennsylvania United States of America. THE CONGRESS PRESENTS AN EVALUATION OF THE FORCES EFFECTING CHANGE IN THE SUPPLY DEMAND BALANCE OF THE INSURANCE MARKETPLACE. PLENARY I: THE FUTURE - A RADICALLY CHANGING WORLD PLENARY II: A WORLD IN TRANSITION - NEW PATTERNS OF RISK AND UNCERTAINTY PLENARY III: MARKETS IN TRANSITION PLENARY IV: MEETING DEMAND PLENARY V: MANAGEMENT UNDER SIEGE PLENARY VI: THE INFORMATION AND COMMUNICATIONS ERA. TWENTY-THREE CONCURRENT SESSIONS WILL EXPLORE THE SUBORDINATE TOPICS OF PLENARY SESSIONS III, IV & V. THE FOCUS IS ON THE MAGNITUDE AND DIRECTION OF CHANGE AND POSSIBLE STRATEGIES FOR MANAGING CHANGE INCLUDING A PRESENTATION OF MANAGEMENT MODELS AND TRANSACTIONAL SYSTEMS. ENQUIRIES: PO BOX 1982, PHILADELPHIA, PENNSYLVANIA 19105 TELEPHONE: 215-563-5815 / TELEX: 831 519



Companies and Markets INTL: COMPANIES & FINANCE

Terms set on Dow's Samurai bond issue

By Richard C. Hanson in Tokyo
DOW CHEMICAL'S ¥20bn yen-denominated, 10-year public bond issue was yesterday set with an annual coupon of 8.5 per cent and priced at 99.5.

As was the case with the Sears issue, Japanese underwriters used a somewhat different system for pricing the U.S. chemical group's bond than is applied to other foreign bond issues.

Nomura lifts consolidated net earnings

By Our Tokyo Staff
NOMURA SECURITIES and its seven overseas consolidated subsidiaries lifted consolidated annual net earnings by 48.5 per cent to ¥50.8bn (\$226m) on consolidated revenues of ¥306.8bn (\$1.3bn), up 27.5 per cent in the 12 months to September 30.

The increase in profits reflected vigorous earnings performances on the part of the seven overseas subsidiaries.

Increased interim profits at Dai Nippon Printing

BY YOKO SHIBATA IN TOKYO

DAI NIPPON PRINTING, Japan's largest printing group, maintained an upward trend in earnings in the six months to November 30.

Dai Nippon's unconsolidated half-year operating profits rose by 8.1 per cent to ¥21.78bn while net profits were 5 per cent higher at ¥10.56bn (\$46.8m) on sales of ¥258.38bn.

Half-year net earnings came to ¥23.15bn (US\$25.8m), compared with ¥21.73bn previously on turnover 24 per cent higher at ¥244.9bn against ¥193.5bn.

The interim dividend is to remain at 6 cents a share and while a one-for-five bonus issue is planned, the new shares will not rank for the interim payout.

As well as the increase in consumption of its products, particularly in New South Wales, where CUB-based in Melbourne has been promoting its products, the group received dividend income of ¥8.75m from its stake in the recently merged Elders IXL Group.

However, holding charges on shares bought in the first half of the year were ¥22.57, against ¥22.59.

colour television sets and photo masks for integrated circuits (ICs) and large scale integrations (LSIs).

The company holds 50 per cent of world market for shadow masks (90 per cent of the domestic market) and shares evenly the domestic photo mask market with Toppan Printing.

Sales of the general printing division rose by 6.4 per cent to account for 18.4 per cent of the total and sales of the paperware division rose by 4.8 per cent to account for 38.5 per cent of total turnover.

The cost of materials such as paper and ink stayed at the previous year's level but the introduction of new printing equipment lifted the cost-to-sales ratio.

Full year operating profits are expected to reach ¥43.6bn, up 6.2 per cent, net profits are projected at ¥21.2bn, up 4.5 per cent, and sales of ¥517bn, up 7.4 per cent, are forecast.

In the current half year further growth is expected in micro-products such as shadow masks as well as in general printing.

Full year operating profits are expected to reach ¥43.6bn, up 6.2 per cent, net profits are projected at ¥21.2bn, up 4.5 per cent, and sales of ¥517bn, up 7.4 per cent, are forecast.

When the Elders IXL merger is complete CUB will hold 49 per cent of the company, and profits will receive a boost from the consolidation of CUB's share of earnings.

The profit for the half-year came after tax ahead from A\$11.8m to A\$13.27m and depreciation of A\$6.66m against A\$5.76m.

When the Elders IXL merger is complete CUB will hold 49 per cent of the company, and profits will receive a boost from the consolidation of CUB's share of earnings.

When the Elders IXL merger is complete CUB will hold 49 per cent of the company, and profits will receive a boost from the consolidation of CUB's share of earnings.

Rise in beer sales boosts CUB

BY GRAEME JOHNSON IN SYDNEY

AN INCREASE in beer consumption and dividend income helped Carlton and United Breweries (CUB) to almost double its net profit in the six months to the end of December.

Half-year net earnings came to A\$23.15m (US\$25.8m), compared with A\$12.73m previously on turnover 24 per cent higher at A\$244.9m against A\$193.5m.

The interim dividend is to remain at 6 cents a share and while a one-for-five bonus issue is planned, the new shares will not rank for the interim payout.

As well as the increase in consumption of its products, particularly in New South Wales, where CUB-based in Melbourne has been promoting its products, the group received dividend income of ¥8.75m from its stake in the recently merged Elders IXL Group.

However, holding charges on shares bought in the first half of the year were ¥22.57, against ¥22.59.

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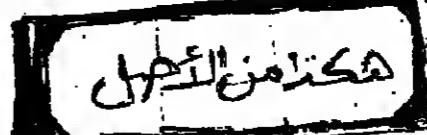
- Arab Banking Corporation (ABC) The Bank of Tokyo, Ltd. Credit Lyonnais
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Morgan Guaranty Trust Company of New York
RBC Finance B.V. The Sumitomo Trust and Banking Company Limited
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Agent:

The Bank of Tokyo, Ltd.

This announcement appears as a matter of record only.

November 1981



All of these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

January, 1982

\$100,000,000

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January 1982



Fuerzas Eléctricas del Noroeste, S.A.

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Caja de Ahorros de Galicia Chemical Bank Sucursal en España
Caja de Ahorros del Penedes Confederacion Española de Cajas de Ahorros
Caja de Ahorros de Manresa The Fuji Bank, Limited
Caja de Ahorros Layetana Kyowa Bank Nederland N.V.
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FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

Table listing various offshore and overseas funds with columns for fund name, manager, and performance metrics.

King & Shazman (Germany)

Table listing King & Shazman funds with columns for fund name, manager, and performance metrics.

Save & Prosper International

Table listing Save & Prosper International funds with columns for fund name, manager, and performance metrics.

CURRENCIES, MONEY and GOLD

Companies and Markets. Dollar weakened against major currencies on easier short-term Eurodollar interest rates and speculations that this week's U.S. money supply figures will show a fall, in contrast to last week's sharp rise.

THE POUND SPOT AND FORWARD

Table showing Pound Spot and Forward rates with columns for Day's spread, Close, One month, and Three months.

THE DOLLAR SPOT AND FORWARD

Table showing Dollar Spot and Forward rates with columns for Day's spread, Close, One month, and Three months.

STERLING - Trade-weighted index 91.4 against 91.5 at 2.25 on 21st against 91.5 at 2.25 on 20th. Sterling fell 0.12 per cent against the dollar, following a late selling order in the market.

CURRENCY MOVEMENTS

Table showing currency movements with columns for Jan. 21, Jan. 20, and Jan. 19.

OTHER CURRENCIES

Table showing other currencies with columns for Jan. 21, Jan. 20, and Jan. 19.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates with columns for Currency, ECU amounts, and % change.

EXCHANGE CROSS RATES

Table showing exchange cross rates with columns for Jan. 21, Jan. 20, and Jan. 19.

FT LONDON INTERBANK FIXING (11.00 a.m. JANUARY 21)

Table showing FT London Interbank Fixing rates for 3 months and 6 months U.S. dollars.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Table showing Euro-currency interest rates for various currencies and terms.

MONEY MARKETS

The Bank of England cut its dealing rates for the fourth day running yesterday, buying bills down to 14 per cent compared with 14.5 per cent on Wednesday.

Further rates cut

The Bank of England cut its dealing rates for the fourth day running yesterday, buying bills down to 14 per cent compared with 14.5 per cent on Wednesday.

GOLD

Gold rose \$41 to \$377.378 in the London bullion market yesterday. It closed at the highest level of the day after opening at \$375.378.

Firmer trend

Gold rose \$41 to \$377.378 in the London bullion market yesterday. It closed at the highest level of the day after opening at \$375.378.

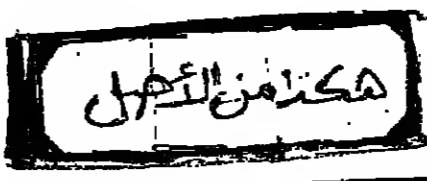
LONDON MONEY RATES

Table showing London Money Rates with columns for Jan. 21, Jan. 20, and Jan. 19.

Advertisement for 'The Banker' magazine, featuring the headline 'Everyone is talking about a Retail Banking Revolution'.

Table titled 'BASE LENDING RATES' listing various banks and their respective interest rates.

Advertisement for 'The Banker' magazine, featuring the headline 'Everyone is talking about a Retail Banking Revolution'.



NEW YORK

Table of stock prices for various companies in New York, including AMF, IBM, and others, with columns for stock name, price, and change.

Table of stock prices for various companies, including GM, Ford, and others, with columns for stock name, price, and change.

Early Wall Street rally of 6.8

A RALLY concentrated in Blue Chips helped the Wall Street stock market yesterday morning to pick up from a technically overcast position.

account, and the market indicator has shown a gain of 12 per cent in the space of one month and a rise of 11 per cent since the beginning of January.

for a two-day jump of Y135. Elsewhere in Motors, Nissan receded Y12 to Y843.

Indices

Table of market indices including Dow Jones, S&P 500, and other regional indices with columns for index name, value, and change.

STANDARD AND POORS

Table of Standard and Poors indices and company performance, including columns for index name, value, and change.

CANADA

Table of Canadian stock prices for companies like AMCO Int'l, Bell Canada, and others.

GERMANY

Table of German stock prices for companies like Volkswagen, Siemens, and others.

AUSTRALIA

Table of Australian stock prices for companies like BHP, Anglo Coal, and others.

FRANCE

Table of French stock prices for companies like Peugeot, Renault, and others.

ITALY

Table of Italian stock prices for companies like Fiat, Eni, and others.

HONG KONG

Table of Hong Kong stock prices for companies like HSBC, Shell, and others.

NOTES—Prices on this page are quoted on the individual exchanges and are last traded prices. Debitages are suspended, and ex-dividend, ex-coupon, ex-rights, ex-cum, and ex-cash.





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- River Road, Kampong Dagang, PO Box 1121, Miri.
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- 198 Jalan Sultan Idris Shah, Ipoh.
- Kompleks Niaga Luth, Jalan, Dato Pati, Kota Bharu.
- Jalan Rahmat, Batu Pahat.
- Chartered Bank Building, PO Box 1993, Kota Kinabalu.
- Yong Yun Building, PO Box 655, Tawau.
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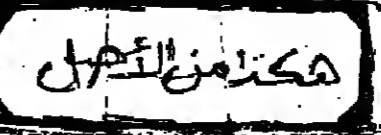
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PLANT & MACHINERY Alroy Entwistle, 28/34 Cross St, Manchester M2 7AQ, Tel: 061-284 817.



Companies and Markets

Gas oil futures hit record

By Our Commodities Editor
TRADING turnover on the London gas oil futures market jumped yesterday to a record level of 2,696 lots (of 100 tonnes each). This activity beat the previous record of 2,672 lots recorded in October.

Liquid milk sales fall

BY RICHARD MOONEY
SALES of liquid milk continued to decline last year with 205m fewer pints being drunk in England and Wales, according to provisional figures released by the Milk Marketing Board yesterday.

Tin supply surplus grows

By Roy Hodson
A GROWING world surplus of tin is expected. Production is likely to exceed demand by 12,300 tonnes in the first half of this year, the International Tin Council is forecasting.

FARMER'S VIEWPOINT Milk, milk, everywhere...

THE GOVERNMENT and British farmers are objecting to the EEC Commission's proposal that dairy farms with annual sales of less than 30,000 litres of milk should be exempted from having to pay the 2 1/2 per cent corporation levy.

community is about 15 per cent and still falling, while the proportion of dairy farmers involved is about 54 per cent. From this it seems that rather more than half the 1.8m cow keepers in the Community are not responsible for 15 per cent of milk output.

Tea pact talks next month

NEW DELHI—Tea producing countries will meet in New Delhi next month to discuss a proposed international Tea Pact to stabilise prices on world markets, the Indian commerce ministry said yesterday.

World grain trade fall expected

WASHINGTON—World grain trade (including milled rice) in the 1981-82 season (July-June) is now forecast at 218m tonnes, down 4m tonnes from last month's forecast, but still 5m tonnes above trade in the 1980-81 year, the U.S. Agriculture Department said yesterday.

1980-81 year, the USDA said. The larger output, particularly in the U.S., combined with larger beginning stocks. A reduction in expected use will result in an increase in world grain stocks this summer to 212m tonnes, up from 197 tonnes forecast in December and 178m tonnes a year earlier, the USDA said.

Call for 16% farm price increase

PARIS—The president of the national federation of French farm unions, M. Francois Guillaume, said the 1982-83 EEC farm price increase should be at least 16 per cent to compensate French farmers for an estimated fall in gross farm income last year of FF9.7bn.

EEC long term export contracts urged

BY LARRY KLINGER IN BRUSSELS
SECURING LONG-TERM EEC export markets and instituting global domestic production curbs will be emphasised in the European Commission's forthcoming proposals for 1982-1983 guaranteed farm prices.

hold its proposals until after the Ministers meet again. Speaking at the opening of West Germany's Green Week, the big annual international agricultural exhibition and symposium, Mr Dalsager said that the Commission believed that the long-term security of markets should be supported by framework agreements.

the world's other big food exporters, such as the U.S. and Australia, who have long complained that the scale of EEC subsidies constituted unfair competition.

bring the ratio between prices of cereals and livestock products more into line with market realities. On the subject of controlling domestic output levels, the Commissioner said the proposals would vary from product to product and would not include "any system of quotas for individual farms."

BASE METALS

Table with columns for metal type (Copper, Lead, Zinc, Nickel, Silver), price, and change. Includes sub-sections for COPPER, LEAD, ZINC, NICKEL, SILVER.

Table with columns for metal type (Aluminum, Tin, Platinum, Palladium, Gold), price, and change. Includes sub-sections for ALUMINUM, TIN, PLATINUM, PALLADIUM, GOLD.

Table with columns for metal type (Cobalt, Manganese, Vanadium, Niobium, Tantalum), price, and change. Includes sub-sections for COBALT, MANGANESE, VANADIUM, NIOBIUM, TANTALUM.

SOYABEAN MEAL

Table with columns for meal type (Soyabean meal, Soyabean oil), price, and change. Includes sub-sections for SOYABEAN MEAL, SOYABEAN OIL.

PRICE CHANGES

Table with columns for commodity type (Wheat, Corn, Soyabean), price, and change.

AMERICAN MARKETS

Table with columns for market type (Wheat, Corn, Soyabean), price, and change. Includes sub-sections for WHEAT, CORN, SOYABEAN.

C.C.S.T. your daily service. Become an active trading client, and we contact you every working day... as often as necessary. Report, phone us, and get two free issues now.

Table with columns for commodity type (Coffee, Rubber, Wool), price, and change. Includes sub-sections for COFFEE, RUBBER, WOOL.

Table with columns for commodity type (Cotton, Potatoes, Meat/vegetables), price, and change. Includes sub-sections for COTTON, POTATOES, MEAT/VEGETABLES.

Table with columns for market type (European, Indices, Dow Jones, Moody's, Reuters), price, and change. Includes sub-sections for EUROPEAN MARKETS, INDICES, DOW JONES, MOODY'S, REUTERS.

EQUITIES

Table of equity prices for various stocks, including FT-Actuaries, Royal Bank, and others, with columns for price, change, and volume.

FIXED INTEREST STOCKS

Table of fixed interest stock prices, including various government and corporate bonds, with columns for price, yield, and maturity.

"RIGHTS" OFFERS

Table of rights offers for various companies, including details on the offer price and terms.

ACTIVE STOCKS

Table of active stocks showing price changes and volume for various equities.

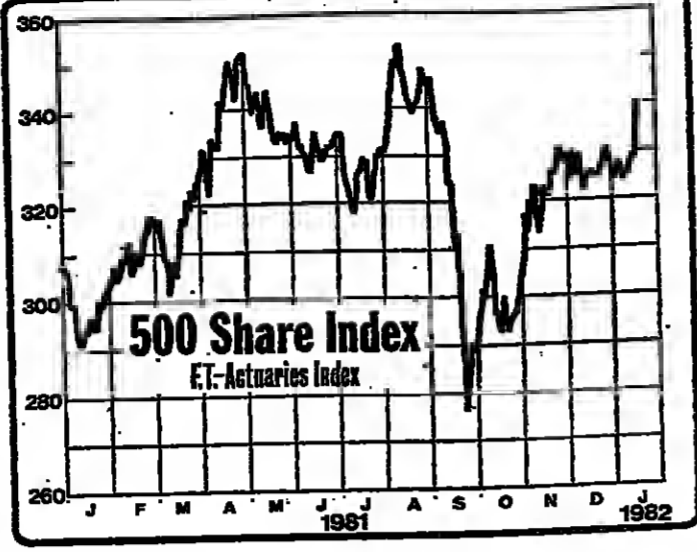
WEDNESDAY'S ACTIVE STOCKS

Table of Wednesday's active stocks, highlighting price movements and trading activity.

Strong equity market overshadows impressive Gilts

which continue to attract heavy investment funds

Account Dealing Dates Option... Equities surged higher in London stock markets yesterday, showing such strength that a very impressive gilt-edged market, which continued to attract sizeable quality buyings from both domestic and overseas sources...



Royal Bank better... A resurgence of speculative buying helped Royal Bank of Scotland to rise 4 fresh to 125p, after 130p. Despite a recent Press article stating that a bid for the group seems extremely unlikely, Bank of Scotland attracted renewed speculative support...

Turner and Newall good... Stimulated again by the buoyancy of the gilt-edged market, miscellaneous industrial leaders advanced smartly and closed at the day's best. A rise of 7 to 10 1/2p in Turner and Newall again led to talk of an imminent dawn raid...

Motor Components returned to favour... Motor Components returned to favour across the board. Lucas featured with a rise of 3 to 70p. The recent bid for the company's products lifted Kwik-Fit 4 to 57p, after 55p. Aerospace Engineering, dealt in the Unlisted Securities Market, touched 55p before settling at a net gain of 5 to 45p following the first-half results...

Ultramar above worst... Ultramar above worst sentiment in Oils was not helped by a reaction in Ultramar, which fell 2 1/2p before closing 10 down on balance at 43 1/2p following reports of a downward revision by an American broking concern of the group's Canadian profits...

FINANCIAL TIMES STOCK INDICES

Table of financial times stock indices for various sectors like Government Secs, Fixed Interest, Industrial Ord, etc., with columns for Jan 21, Jan 20, Jan 19, Jan 18, Jan 17, Jan 16, Jan 15, and a year ago.

HIGHS AND LOWS S.E. ACTIVITY

Table of high and low prices and S.E. activity for various stocks, including Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines.

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London. quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Large table showing the world value of the dollar, listing countries, currencies, and their values in US dollars.

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows.

Table of new highs and lows for 1981/2, listing various stocks and their prices.

RISES AND FALLS YESTERDAY

Table of rises and falls yesterday, showing price changes for various categories like British Funds, Corporate, Industrial, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table of FT-Actuaries share indices, showing values for various equity groups and sub-sections.

FIXED INTEREST

Table of fixed interest rates, including prices and yields for various government and corporate bonds.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Growth, Abbey Income, etc., with columns for name, manager, and contact info.

Table listing unit trusts including Abbey Unit Trust, Abbey Growth, Abbey Income, Abbey Property, etc., with columns for name, manager, and contact info.

Table listing unit trusts including Abbey Unit Trust, Abbey Growth, Abbey Income, Abbey Property, etc., with columns for name, manager, and contact info.

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Table listing unit trusts including Abbey Unit Trust, Abbey Growth, Abbey Income, Abbey Property, etc., with columns for name, manager, and contact info.

FT UNIT TRUST INFORMATION SERVICE

INSURANCE PROPERTY BONDS

Table listing insurance property bonds including Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., etc., with columns for name, manager, and contact info.

Table listing insurance property bonds including Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., etc., with columns for name, manager, and contact info.

Table listing insurance property bonds including Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., etc., with columns for name, manager, and contact info.

NOTES: This section contains important information regarding the unit trusts, including details on how to obtain prospectuses and contact information for the FT Unit Trust Information Service.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.



BRITISH FUNDS table with columns for Stock, Price, and Yield.

Shorts (Lives up to Five Years) table with columns for Stock, Price, and Yield.

Five to Fifteen Years table with columns for Stock, Price, and Yield.

Over Fifteen Years table with columns for Stock, Price, and Yield.

Updated table with columns for Stock, Price, and Yield.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES table with columns for Stock, Price, and Yield.

CORPORATION LOANS table with columns for Stock, Price, and Yield.

COMMONWEALTH AND AFRICAN LOANS table with columns for Stock, Price, and Yield.

LOANS table with columns for Stock, Price, and Yield.

FOREIGN BONDS & RAILS table with columns for Stock, Price, and Yield.

AMERICANS table with columns for Stock, Price, and Yield.

CANADIANS table with columns for Stock, Price, and Yield.

BANKS AND HIRE PURCHASE table with columns for Stock, Price, and Yield.

BEERS, WINES AND SPIRITS table with columns for Stock, Price, and Yield.

HIRE PURCHASE, etc. table with columns for Stock, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS table with columns for Stock, Price, and Yield.

Table with columns for Stock, Price, and Yield.

Table with columns for Stock, Price, and Yield.

Table with columns for Stock, Price, and Yield.

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CHEMICALS, PLASTICS table with columns for Stock, Price, and Yield.

CHEMICALS, PLASTICS—Cont. table with columns for Stock, Price, and Yield.

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ENGINEERING MACHINE TOOLS table with columns for Stock, Price, and Yield.

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tomorrow's FT advertisement with text: SAVINGS AND INVESTMENTS, The hidden cost of a bank mortgage, SPORT, Lend1—The new US tennis master, BOOKS, Princess Vicky and the Queen, Zuckerman's Nuclear Illusions, PROPERTY, Ski homes in the Alps, ARCHITECTURE, The rebuilding of New York, TRAVEL, Beside the English seaside.

هكتر من الترحيل



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock name, price, and change.

LEISURE

Table of leisure-related stocks such as British Airways, British Telecom, and British Rail, listing stock names, prices, and changes.

PROPERTY—Continued

Table of property-related stocks including various real estate and construction companies, with columns for stock name, price, and change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British American Investment Trust and British Overseas Investment Trust, listing stock names, prices, and changes.

OIL AND GAS—Continued

Table of oil and gas stocks including various energy companies, with columns for stock name, price, and change.

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MINES—Continued

Table of mine stocks including various mining companies, listing stock names, prices, and changes.

Australian

Table of Australian mine stocks, listing company names, prices, and changes.

Tits

Table of mine stocks from the TIT region, listing company names, prices, and changes.

Copper

Table of copper mine stocks, listing company names, prices, and changes.

Miscellaneous

Table of miscellaneous mine stocks, listing company names, prices, and changes.

NOTES

Notes section containing various financial notices, interest rate changes, and company announcements.

REGIONAL MARKETS

Table of regional market data, including stock prices and exchange rates for various international markets.

INSURANCE

Table of insurance stocks, listing company names, prices, and changes.

PAPER PRINTING ADVERTISING

Table of paper, printing, and advertising stocks, listing company names, prices, and changes.

PROPERTY

Table of property-related stocks, listing company names, prices, and changes.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks, listing company names, prices, and changes.

OIL AND GAS

Table of oil and gas stocks, listing company names, prices, and changes.

OPTIONS

Table of options data, including 3-month call rates and other derivative instruments.

Balfour Beatty Builds 01-686 8700

FINANCIAL TIMES

Friday January 22 1982

BELL'S SCOTCH WHISKY BELL'S

ACAS FAILS TO HAVE RAIL PEACE TALKS RESUMED Guards' strike threat fades

BY PHILIP BASSETT, LABOUR STAFF UNOFFICIAL industrial action on British Rail threatened for today seemed to have been averted last night as the second day of this week's official strike by the train drivers' union ended. Guards at London's Kings Cross station had been threatening to strike from midnight for 24 hours over the crucial productivity issue of flexible work rostering. Their local representatives accepted a formula to avert the stoppage worked out by Mr Sid Weighell, general secretary of the National Union of Railmen. The NUR was hopeful that guards on Southern Region, Crewe, Derby, Birmingham and the north-west, who have also warned of strikes today will follow suit and work normally, even though no deal has been struck for them. The Kings Cross deal provides for the withdrawal of all new flexible rosters until they can be issued together; an examination of ways to keep the new rosters close to the normal eight-hour day; and payment of staff who do not turn up for work because of the lateness of the agreement. BR hopes the formula will allow it to provide a near normal service today, though there is likely to be still some disruption this morning following the end of the two-day official strike over pay and rostering by the Associated Society of Locomotive Engineers and Firemen. Further efforts yesterday by officials of the Advisory, Conciliation and Arbitration Service failed to draw all sides in the dispute with Aslef back into talks. BR and Aslef disagree whether the comprehensive arbitration being offered as a solution is binding or not. A meeting is still possible today or tomorrow. Firm moves are unlikely until after a BR Board meeting this morning, which will consider the proposal for arbitration or a court of inquiry. A speedy hearing is being urged, with the possibility of a finding within a week. Two difficulties prevent agreement: the payment of the 3 per cent second stage of last year's two-part 11 per cent pay deal, which BR is withholding from Aslef, and the chairmanship of any arbitration or inquiry panel. Mr Weighell said on independent Television News yesterday that arbitration was the only way out of the dispute, because it was "tearing this industry apart, and there will be nothing left to fight about if we go on much longer." The Prime Minister yesterday refused to intervene in the dispute, Mrs Margaret Thatcher told the Commons that the railway industry had to be efficient, up-to-date and had to reduce overmanning. She joined Mr David Howell, Transport Secretary, in praising those people who had "grappled" with the strikes to get to work. War of words, Page 10

EEC joins Japan in research talks

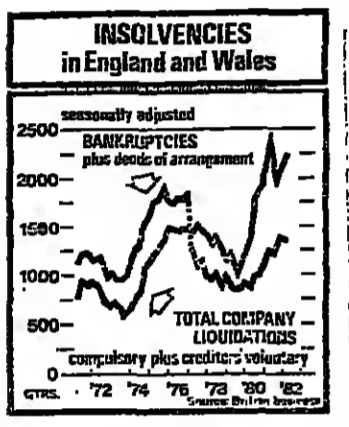
By Charles Smith in Tokyo and Alan Cane in London

NEW ATTEMPTS to foster the exchange of technology and joint research ventures between the EEC and Japan are being mounted in Tokyo and London. In Tokyo, senior EEC officials are seeking agreement with the Japanese Government this week on a series of specific research ventures. In the private sector Mitsubishi Corporation, the Japanese trading company whose European headquarters are in London, has started a search for European companies with advanced technology to market in Japan. The initiatives take place during continuing tension in EEC-Japan trade relations. A Japanese official said the Tokyo talks were a welcome change from discussing trade conflicts. These official talks are described as exploratory, but are to be followed quickly by expert discussions which may lead to mapping out research objectives by the end of the year. The EEC has suggested eight areas for research co-operation, Mr Jean-Pierre Conzen, the Commission's Director of Science and Technology Policy said. But there has been no definite commitment from Japan. These areas include nuclear fusion, solar energy, nuclear waste disposal and the application of remote sensing techniques for pollution control. The EEC has officially been in favour of technology exchange with Japan for at least two years, but the notion of specific research projects gained ground only with the visit to Tokyo last November of Viscount Darlington, the Commissioner for Industry. Mitsubishi is extending a programme it has run in the U.S. for two years to Europe for marketing patents and know-how in Japan on behalf of the owner of technology. Its licensing services subsidiary will file patents in Japan with the owner bearing the costs, but taking half of the licensing profits. Jenkin warns Tokyo, Page 6

THE LEX COLUMN DoT licences up for renewal

Index rose 13.3 to 559.1

The financial markets are by now thoroughly hooked on the Bank of England's regressive interest rate policy, and yesterday's lunchtime fix—another eighth of a point off the Bank's dealing rate in very short bills—kept the gilt-edged market in a highly pleasurable state. Gilts closed with solid gains, despite further underhand sales of stock by the Government broker, and equities charged up by 13.3 points on the FT 30 Share Index. Today's Treasury bill tender rate is likely to fall below 14 per cent, and although the case for lower base rates is by no means clear-cut, the clearers must be doing their sums very carefully. practice remain a law unto itself. The legislation which may emerge from Professor Gower's study of investor protection will clearly need to stiffen the penalties for abuse, shift the burden of proof so that applicants must show they are fit to hold a licence, and clearly define the nature of investment management or, for that matter, of a security.



Company liquidations set record

BY REG VAUGHAN THERE WAS a record number of company liquidations last year, according to statistics prepared by British Business, a Department of Trade publication. Liquidations rose 25 per cent from 6,890 to 8,607. This happened because of a 47 per cent jump to 5,828 in voluntary liquidations. Compulsory liquidations fell 5 per cent to 2,779 but this figure is artificially low because industrial action by civil servants slowed the collection of figures. Bankruptcies, plus deeds of arrangement, rose by 28 per cent from 4,038 to 5,178. Company liquidations began to rise sharply in the middle of 1979. Bankruptcies have also risen over this period, with a steep increase since early 1980 bringing them to an even higher level than in early 1977. Seasonally adjusted, the number of bankruptcies and deeds of arrangement fell from about 1,280 in the third quarter of 1981 to about 1,340 in the fourth quarter. Before adjustment the fourth-quarter total was 17 per cent higher than the same period of 1980. Company liquidations in the fourth quarter, seasonally adjusted, totalled 2,240—a rise of about 15 per cent compared with an average of 1,950 for the second and third quarters. Compulsory liquidations rose from about 550 in the third quarter to 630 in the fourth quarter but are still abnormally low because of the after-effects of the civil servants action. Voluntary liquidations in the fourth quarter of 1981 reached a record 1,615 compared with the average of the previous two quarters of about 1,320 and the previous peak in the first quarter of about 1,580.

High Court orders new ballot for Boilermakers' general secretary

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE HIGH COURT has ordered the Boilermakers Society to hold a new ballot for the post of general secretary, after a bitter 18-month wrangle between the two final candidates. Mr James Murray, the present general secretary, and Mr Barry Williams, the defeated candidate who brought the High Court action against the union, agreed to a statement committing them not to campaign or issue any other announcement until after the ballot in April. The statement said forged papers were returned by "more than one branch" in the first ballot in June 1980 and "there had been serious breaches of rule to the course of the ballot." The agreement—reached after almost two days of out-of-court haggling—effectively ends the charges—a counter charges of irregularities in branch voting which favoured one or other candidate. Early in the case, the union said it no longer contested questions raised over ballot papers from the Belfast No 1 branch, which had returned 102 votes in Mr Murray's favour. This followed evidence from a handwriting expert. Under the terms of the settlement, Mr Murray will stand down as general secretary before the election and the union's executive will select one of its number to stand in. This is likely to be decided at its executive meeting on Monday. Mr Murray will retain his seat on the executive council as the representative of the union's Scottish region. It is not clear if he will remain on the TUC's General Council, or continue as chairman of the shipbuilding negotiating committee of the Confederation of Shipbuilding and Engineering Unions—a key post in the shipbuilding industry. Mr Murray and Mr Williams, the union's Merseyside district secretary, are on the right and left respectively of the Labour movement. Allegations in the case centre on the Society's complex and time-honoured rule book, the low level of participation in the ballot—only four or five per cent—and the rule that branch secretaries count the votes after the branch has voted. Under rule, the branch secretaries must return both the ballot papers and a slip with a record of votes cast: the court was told that this was not complied with in up to one-quarter of the branches. The case has been costly for the union—yesterday it was ordered to pay Mr Williams' costs—and has sapped its officials' energies in a difficult period between unions and British Shipbuilders.

China issues first foreign bond in yen

BY RICHARD HANSON IN TOKYO

THE FUNDS raised through the issue will be used to finance industrial projects in China. The Chinese have been considering a yen bond issue for a year or more, and a second yen bond, by a provincial government, is being considered for as early as next summer. Nomura Securities, Daiwa Securities and the Bank of Tokyo have acted as lead managers for the CITI issue. China has shown itself increasingly willing to borrow at commercial rates, especially when considering financing for projects expected to be commercially viable. Earlier this month the Bank of China raised ¥700m through a Japanese bank syndicate. The 10-year loan carried an interest rate of 0.2 points above Japan's long-term prime rate. Underwriters said there were no particular difficulties in arranging the private placement bond issue, for CITI, though negotiations with the Chinese "lasted longer than had been expected."

Interest rates fall

Continued from Page 1. point, perhaps early next week. In West Germany, the central bank has been aiming for some weeks to nudge money market interest rates down to about 10 per cent through market operations. Yesterday's change in the Lombard rate was therefore seen as more as a political gesture than as evidence of any fundamental change in the Bundesbank's monetary stance. The central bank has come under heavy pressure to demonstrate its willingness to help reduce unemployment after intense discussion in Bonn about a programme to stimulate investment. David Llewellyn adds from New York: U.S. interest rates have edged upwards again in the last fortnight. The key Fed funds rate on overnight interbank loans was at 13 1/2 per cent yesterday, having sunk below 12 per cent earlier this month. Bond yields are also higher. The blame is being put mainly on the recent strong growth in the U.S. money supply. Wall Street fears this will force the Federal Reserve to tighten its stance to bring money growth back under control. President Ronald Reagan expressed concern about this growth earlier this week, saying it was raising interest rates by sapping market confidence. The pressures in the financial markets have also raised the possibility of an increase in the prime rate, from its present 15 1/2 per cent. Although this would be psychologically and politically damaging, banks may have little choice unless funding costs subside in the days ahead. Alan Friedman adds: The Euro-dollar bond market saw \$1.3bn of new paper yesterday as prices of fixed-interest bonds gained 1 point. Dealers stressed that the flurry of new issue activity was not a result of falling interest rates in Europe, but was caused by demand in Japan for "zero coupon bonds." Of yesterday's new issues about \$800m came as zero coupon bonds; these provided the borrowers with a total of \$201.7m.

Miners

Continued from Page 1. their executive. At the end of 1979 they accepted by a majority of 51 per cent a wage offer worth 20 per cent which the union had advised them to reject. Then, as now, it was internal politicking in the executive rather than an assessment of the miners' mood, that was responsible for the militant ballot proposition. The quarrel over Mr Gormley's article and forecasts that the ballot would be lost may have influenced the South Wales miners who voted after the rest of Britain because of the blizzards. Mr Scargill's own area of Yorkshire backed the executive with 66 per cent, and Scotland, also left-led, registered 63 per cent. But South Wales and Kent, the other bastions of the left, only polled 54 per cent for the executive. Mr Michael McGahey, Scottish president, said he was bitterly disappointed. Mr Gormley had "served the Tories this time" and would get his peerage, said Mr McGahey.

Budget

Continued from Page 1. stressed that "until inflationary expectations have first been changed, reduction as a spur to higher and lasting employment is a broken reed." However, within these constraints Sir Geoffrey may have some room for manoeuvre on taxation. The Treasury appears to accept that personal income tax allowances and thresholds should rise in line with inflation, and there is some pressure for aid to industry.

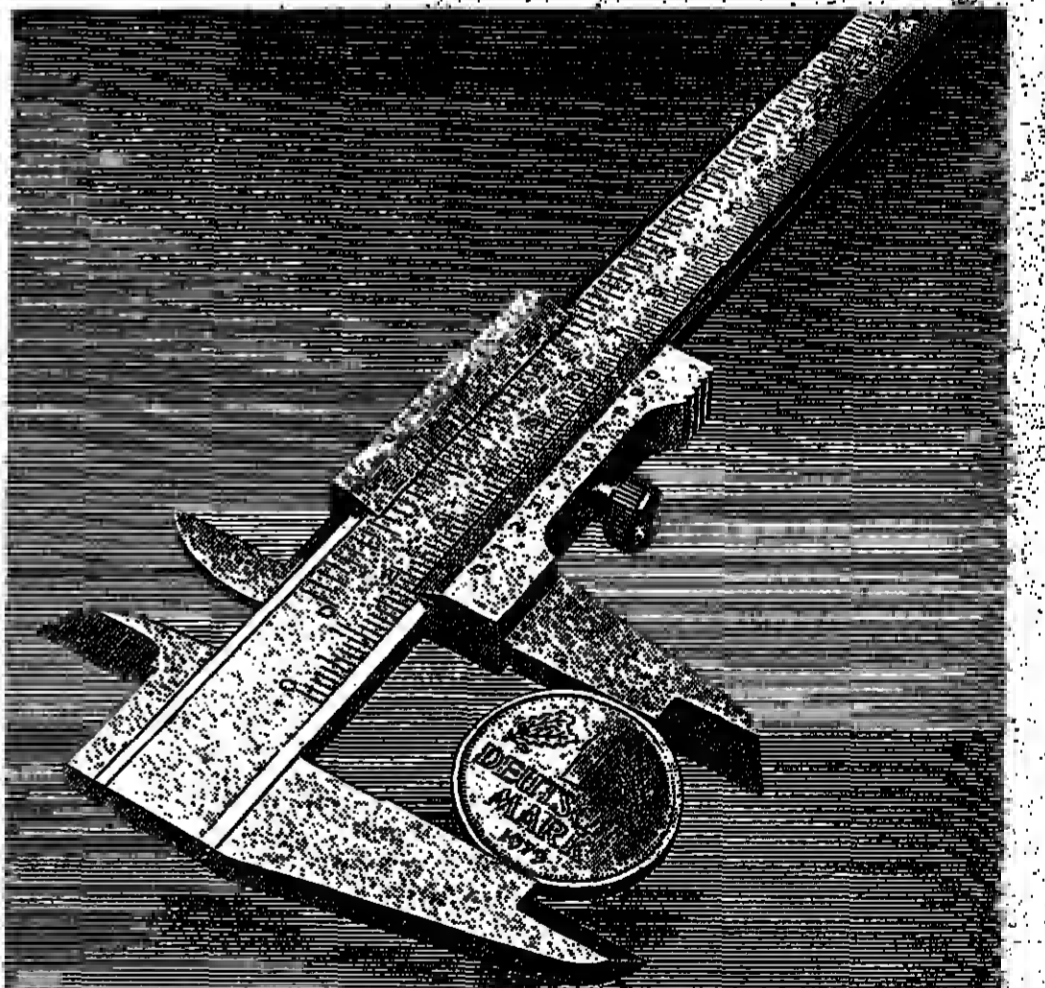
Saatchi keeps Tory advertising account

BY ELINOR GOODMAN SAATCHI AND SAATCHI, the advertising agency which created slogans such as "Labour isn't working" and "Cheer up, the Tories are coming," is to retain the Conservative Party's advertising account. Mr Chris Lawson, brought in from Mars Foods last month as the party's marketing director, has decided against asking other agencies to bid for the account and has asked Saatchi and Saatchi to begin work on a campaign for the May local government elections. The decision partly reflects the Prime Minister's personal comment to Saatchi and Saatchi, the company which played a key role in her 1979 general election victory. It is also a signal that the sophisticated approach to marketing first adopted then in the next general election. The decision follows a review of the party's advertising arrangements by Mr Lawson. Reports that the account might be placed elsewhere triggered a flurry of excitement in the advertising industry. At least 23 agencies wrote to Conservative Central Office offering presentations. In the event Mr Lawson decided Saatchi and Saatchi's close knowledge of the party gave it an advantage. The agency has worked with the party for four years and built up a closer relationship with Mrs Thatcher and other senior Tories than did any of its predecessors. The party spent £1.5m on advertising and other forms of promotion such as political broadcasts in the year leading to the 1979 election. Since then a shortage of funds has meant it has been able to spend little on advertising. It is likely, however, that the party will spend at least £1m on preliminaries for the next general election. Saatchi and Saatchi's aggressive campaign for the party helped create the agency's reputation. The agency, working closely with the Tories' then director of publicity, Mr Gordon Reece, brought a new slickness to political iconography. This drew accusations from the Labour Party that the Tory Party was selling itself like a tin of beans. The agency's approach disconcerted some Tory MPs but most appreciated the contribution made by its to the 1979 victory. In spite of the decision to retain Saatchi and Saatchi it is likely the party's approach will be subtly different in the next general election. General Office appears to feel it would be a mistake for an incumbent Prime Minister to be surrounded by the gimmicky and razzmatazz which was such a feature of the 1979 campaign. Instead, the party will probably adopt a restrained, responsible approach, more suited to the party of government.

Weather

UK TODAY SUNNY intervals in most places. Some showers. E. England. Mainly dry with sunny periods. Max 8C (46F). Rest of England, Wales, N. Ireland and E. Scotland. Sunny intervals with scattered showers. Max 8C (46F). Rest of Scotland. Cloudy with rain, heavy at times. Some bright periods. Max 8C (46F). Outlook: Dry with sunny intervals becoming cloudy with rain later.

Table with columns for Worldwide weather forecasts including locations like Algiers, Athens, Beirut, etc., with temperature ranges.



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